CANSORTIUM

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR FOR THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF CANSORTIUM INC.

TO BE HELD ON

AUGUST 27, 2024

Dated as of July 12, 2024

These materials are important and require your immediate attention. They require shareholders of Cansortium Inc. to make an important decision. If you are in doubt as to how to make such decision, please contact your financial, legal or other professional advisor. ***If you have any questions or require more information with regard to the procedures for voting, please contact Odyssey Trust Company, toll-free in North America at 1-888-290-1175 or at 1-587-885-0960 outside of North America, or by email at shareholders@odysseytrust.com.***

July 12, 2024

Dear Shareholders of Cansortium,

You are invited to attend the annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") and proportionate voting shares ("**Proportionate Voting Shares**" and together with the Common Shares, the "**Shares**") of Cansortium Inc. ("**Cansortium**" or the "**Corporation**") to be held at the offices of the Corporation at 5540 W. Executive Drive, Ste. 100, Tampa, Florida 33609, at 9:30 a.m. (Toronto time), on August 27, 2024.

Business Combination with RIV Capital

On May 30, 2024, Cansortium entered into an arrangement agreement (as amended, supplemented or otherwise modified from time to time, the "A**rrangement Agreement**") with RIV Capital Inc. ("**RIV Capital**"), pursuant to which, among other things, Cansortium will acquire all of the issued and outstanding Class A common shares of RIV Capital (the "**RIV Shares**") by way of a plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) in exchange for 1.245 Common Shares (the "**Exchange Ratio**") for each RIV Share held (the "**Arrangement**"). If completed, RIV Capital will become a wholly-owned subsidiary of Cansortium and Cansortium will continue the operations of Cansortium and RIV Capital on a combined basis (the "**Combined Company**"). Former shareholders of RIV Capital (the "**RIV Shareholders**") and former Shareholders are expected to own approximately 36.3% and 63.7%, respectively, of the Combined Company on a non-diluted basis, approximately 48.2% and 51.8%%, respectively, of the issued and outstanding shares of the Combined Company, including the Exchangeable Shares (as defined below) and the Common Shares issuable upon conversion of the Smith Convertible Note (as such term is defined under the heading "*Glossary of Terms*" in the accompanying Circular) and all other in-the-money convertible securities accounted for based on the treasury stock method, and approximately 45.88% and 54.12%, respectively, of the issued and outstanding shares of the Combined Company on a fully diluted basis, immediately following completion of the Arrangement, based on the number of RIV Shares and Common Shares (on an as-converted basis) issued and outstanding as of July 12, 2024.

In connection with the Arrangement, and as a condition precedent to its completion, The Hawthorne Collective, Inc. ("**The Hawthorne Collective**"), a wholly-owned subsidiary of The ScottsMiracle-Gro Company ("**ScottsMiracle-Gro**"), has agreed to exchange (the "**Hawthorne Notes Exchange**") its existing unsecured convertible notes (the "**Hawthorne Notes**") that were issued for an aggregate principal amount of C$219,747,501.15, including any accrued and unpaid interest, payable by RIV Capital, for a total of 153,069,395 of a new class of non-voting exchangeable shares in the capital of the Corporation (the "**Exchangeable Shares**"). The Exchangeable Shares will not be entitled to voting rights. The Exchangeable Shares will be entitled to dividends, will participate on the same terms as the Common Shares upon dissolution of the Corporation, and will be convertible into Common Shares on a one-for-one basis.

While Shareholders are not required to approve the Arrangement, the Hawthorne Notes Exchange is a condition precedent to its completion. Accordingly, at the Meeting, Shareholders will be asked to consider, among other things, a special resolution authorizing an amendment (the "**Amendment Proposal**") to the

Corporation's articles in order to: (i) create and authorize the issuance of the Exchangeable Shares in connection with and conditional upon the completion of the Arrangement; and (ii) restate the rights of the Common Shares and Proportionate Voting Shares to include "coattail" provisions that prohibit the transfer, directly or indirectly, of any Common Shares or Proportionate Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which applicable securities laws would have required the same offer to be made to holders of Exchangeable Shares and make certain other housekeeping changes.

Recommendation of the Board

The board of directors of Cansortium (the "**Board**"), having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after consultation with representatives of Cansortium's senior management, its financial and legal advisors, following receipt of the fairness opinion from Paradigm Capital Inc. ("**Paradigm**") and such other matters as it considered necessary and relevant, including the factors set out below and in the accompanying Circular under the heading "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – The Arrangement Reasons for the Recommendation of the Board*", unanimously determined that the Arrangement and entering into the Arrangement Agreement are in the best interest of Cansortium, and that the consideration payable pursuant to the Arrangement and the Exchange Ratio applicable thereto is fair, from a financial point of view, to the Shareholders.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Amendment Proposal

The accompanying management information circular of the Corporation dated July 12, 2024 (the "**Circular**") includes additional information to assist you in considering how to vote on the Amendment Proposal, including risk factors relating to the completion of the Hawthorne Notes Exchange and the Arrangement. You should carefully review and consider all of the information in the Circular. If you require assistance, consult your financial, legal, tax or other professional advisors.

Details of the Arrangement are described in more detail in the management information circular of RIV Capital dated July 12, 2024 (the "**RIV Circular**") delivered in connection with the annual and special meeting of RIV Shareholders held on August 27, 2024 (the "**RIV Meeting**") to approve, among other things, the Arrangement. A copy of the RIV Circular is available under RIV Capital's SEDAR+ profile at www.sedarplus.ca and a copy of the Arrangement Agreement has been filed under the Corporation's SEDAR+ profile at www.sedarplus.ca.

Reasons for the Recommendation of the Board

In reaching its conclusions and formulating its unanimous recommendation that Shareholders vote **IN FAVOUR** of the Amendment Proposal, the Board consulted with Cansortium's management and its legal and financial advisors and reviewed a significant amount of financial information relating to RIV Capital and Cansortium and considered a number of factors, including:

- **Positioned in Key U.S. Markets**: Following closing of the Arrangement, the Combined Company will be geographically diversified across the eastern U.S., spanning four key states (Florida, New York, Texas and Pennsylvania), positioning the Combined Company to cover approximately 25% of the U.S. population. These limited license markets in which the Combined Company is expected to hold a strong position have well-staged regulatory catalysts in the near and medium term.

- **Strong Cash Balance**: The Combined Company is expected to be well capitalized with a pro forma cash balance of approximately $74 million as of March 31, 2024. This cash balance is particularly noteworthy in the industry's currently capital scarce environment, and the Combined Company is anticipated to deploy these funds to the opportunities within its footprint that have the highest expected return on investment.

- **Operational Efficiencies**: Cost synergy opportunities are estimated to be approximately $5-10 million annually over the next few years, which are expected to be realized from anticipated cultivation, processing and operating efficiencies and corporate integration.

- **Strategic Relationships**: The Combined Company intends to continue to bolster its strategic relationship with ScottsMiracle-Gro, which originated through its investment in RIV Capital via its wholly-owned subsidiary, The Hawthorne Collective, and through innovative growing products sold by its wholly-owned subsidiary, The Hawthorne Gardening Company.

- **Scalable Talent Base**: The Combined Company expects to have an expanded talent base through the combination of Cansortium and RIV Capital management and operating personnel.

- **Significant Operating Footprint**: On completion of the Arrangement, the Combined Company is expected to operate in four of the largest states by population in the United States – Florida, New York, Texas, and Pennsylvania – creating a strategic operating footprint with significant potential growth opportunities in the years ahead. Operations in these states will be comprised of eight cultivation and processing facilities and 42 retail dispensaries.

- **Fairness Opinion**: The Board received a verbal fairness opinion from Paradigm dated as of May 30, 2024, as to the fairness to Shareholders, from a financial point of view and as of the date of the opinion, of the consideration payable pursuant to the Arrangement and the Exchange Ratio applicable thereto, based upon and subject to the various assumptions, limitations and qualifications set forth in such opinion.

- **Support of Boards and Management Teams**: The boards of directors of both companies have unanimously recommended support for the Arrangement. Additionally, all of the directors and members of executive management of each of RIV Capital and Cansortium have entered into voting and support agreements (collectively, the "**Support Agreements**") pursuant to which they have agreed, among other things, to vote in favour of, in the case of RIV Capital, the Arrangement, and in the case of Cansortium, the Amendment Proposal. In the case of RIV Capital, the Support Agreements include a significant shareholder and relate to RIV Shares comprising approximately 20.2% of the issued and outstanding RIV Shares as of the announcement date of the Arrangement and in the case of Cansortium, the Support Agreements relate to Common Shares comprising approximately 26.8% of the issued and outstanding Shares as of the announcement date of the Arrangement.

- **Arm's Length Transaction**: The Arrangement Agreement is the result of arm's length negotiations and includes terms and conditions that are reasonable in the judgment of the Board.

- **Conduct of Cansortium's Business**: The Board believes that the restrictions imposed on Cansortium's business and operations during the pendency of the Arrangement are reasonable and not unduly burdensome.

- **Other Factors**: The Board also carefully considered the Arrangement with reference to current economics, industry and market trends affecting each of RIV Capital and Cansortium in the cannabis industry, information concerning business, operations, assets, financial condition,

operations and prospects of each of RIV Capital and Cansortium, taking into account the results of Cansortium's due diligence review of RIV Capital and its operations.

Approval Requirements

Shareholders are not required to approve the Arrangement itself. However, approval of the Amendment Proposal is a condition to the completion of the Arrangement. In order for the Arrangement to proceed, the Amendment Proposal must be approved by the affirmative vote of at least $66^{2/3}$% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. If the Amendment Proposal is not approved by the requisite majority of Shareholders at the Meeting, the Arrangement cannot be completed.

Voting Support Agreements

Each of the directors and executive officers of Cansortium have entered into voting support agreements with RIV Capital pursuant to which they have agreed, among other things, to vote their Shares in favour of the Amendment Proposal. As at May 30, 2024, such directors and executive officers collectively beneficially owned or exercised control or direction over approximately 26.8% of the issued and outstanding Shares as of such date.

In-Person Meeting

Cansortium is conducting the Meeting as an in-person meeting that will allow registered holders of Shares ("**Registered Shareholders**") and duly appointed proxyholders (including non-registered beneficial Shareholders ("**Non-Registered Shareholders**") who have appointed themselves as proxyholders) to participate in person at the Meeting.

Only Registered Shareholders and duly appointed proxyholders (including Non-Registered Shareholders who have appointed themselves as proxyholders) will be able to attend, ask questions and vote at the Meeting, provided that they carefully follow the instructions set out in the Circular and the related proxy materials. Non-Registered Shareholders, unless they have been duly appointed as proxyholders in accordance with the procedures set out in the Circular and the related proxy materials, will only be able to attend the Meeting in person as guests. Guests may attend the Meeting in person but will not be able to ask questions or vote at the Meeting. The accompanying Circular provides important and detailed instructions about how to participate at the Meeting.

The Board has set the close of business on July 12, 2024 as the record date (the "**Record Date**") for determining the Shareholders who are entitled to receive notice of and to vote at the Meeting and any adjournment or postponement thereof. Only Registered Shareholders, or their duly appointed proxyholders, at the close of business on the Record Date will be entitled to receive notice of the Meeting and to vote on the Amendment Proposal, the election of the directors of Cansortium for the ensuing year and, conditional upon completion of the Arrangement, the directors of Cansortium following the completion of the Arrangement, the re-appointment of Baker Tilly US, LLP as the auditors of Cansortium for the ensuing year and to authorize the Board to fix their remuneration.

Conditions to the Arrangement

In addition to approval by Shareholders of the Amendment Proposal, the Arrangement is subject to the approval by RIV Shareholders at the RIV Meeting, the completion of the Hawthorne Notes Exchange, the completion of the Smith Transaction (as such term is defined under the heading "*Glossary of Terms*" in the

accompanying Circular), customary closing conditions for a transaction of this nature, including the receipt of required approvals from the Ontario Superior Court of Justice (*Commercial List*), the completion of all required filings with the Canadian Securities Exchange (the "**CSE**") for the listing and posting for trading of the Common Shares to be issued in connection with the Arrangement on the CSE and the receipt of all necessary regulatory approvals, upon the terms set forth in the Arrangement Agreement. If the conditions to completion of the Arrangement are satisfied in a timely manner, the Arrangement is expected to be completed in the fourth quarter of 2024; however, it is not possible to state with certainty when or if the closing of the Arrangement will occur.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN.

Whether or not you expect to attend the Meeting, we encourage you to take the time to complete, sign, date and return the form of proxy or voting instruction form, as applicable, in accordance with the instructions set out therein so that your Shares can be voted at the Meeting.

Proxies must be submitted (in accordance with the instructions set out on the form of proxy) no later than 9:30 a.m. (Toronto time) on August 23, 2024, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting. A completed voting instruction form should be deposited in accordance with the instructions printed on the form. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting, at the Chair's discretion, with or without notice.

If you have any questions or need additional information regarding the voting of your Shares, you should contact your financial, legal, tax or other professional advisors, or contact Odyssey Trust Company, toll-free in North America at 1-888-290-1175 or at 1-587-885-0960 outside of North America, or by email at shareholders@odysseytrust.com.

On behalf of the Board, I would like to express our gratitude for the support that our Shareholders have demonstrated with respect to our decision to undertake this transaction and the Arrangement. We believe that this opportunity will be transformative for both RIV Shareholders and Shareholders of Cansortium and will result in the creation of a leading multi-state U.S. cannabis platform.

Yours very truly,

"*William Smith*"

William Smith
Executive Chairman

CANSORTIUM

CANSORTIUM INC.
5540 W. Executive Drive, Ste. 100
Tampa, Florida 33609

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares ("**Common Shares**") and proportionate voting shares ("**Proportionate Voting Shares**") of Cansortium Inc. ("**Cansortium**" or the "**Corporation**") will be held on Wednesday, August 27, 2024, at 9:30 a.m. (Toronto time) at 5540 W. Executive Drive, Ste. 100, Tampa, Florida 33609 for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation's for the year ended December 31, 2023 and the auditors' report thereon;

2. (A) to elect the directors of the Corporation to serve from the close of the Meeting (the "**Current Slate**") until the earlier of: (i) the close of the next annual meeting of shareholders of the Corporation; (ii) the time of completion of the Corporation's proposed plan of arrangement (the "**Arrangement**") with RIV Capital Inc. ("**RIV Capital**"), as more fully described in the accompanying Circular (as defined below) (the "**Change of Board Time**"); and/or (iii) such time that their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Ontario); and (B) to elect the directors of the Corporation to serve from the Change of Board Time until the close of the next annual meeting of Shareholders or until their successors are elected or appointed;

3. to re-appoint Baker Tilly US, LLP as auditors of the Corporation for the ensuing year and to authorize the directors to fix the auditors' remuneration;

4. to consider and, if deemed advisable, pass, with or without variation, a special resolution, the full text of which is set forth in the accompanying Circular, to authorize and approve an amendment (the "**Amendment Proposal**") to the articles of the Corporation in order to: (i) create and authorize the issuance of an unlimited number of a new class of non-voting exchangeable shares (the "**Exchangeable Shares**") having the rights, privileges, restrictions and conditions substantially as set out in Schedule "A" to the accompanying Circular; and (ii) restate the rights of the Common Shares and Proportionate Voting Shares to include "coattail" provisions that prohibit the transfer, directly or indirectly, of any Common Shares or Proportionate Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which applicable securities laws would have required the same offer to be made to holders of Exchangeable Shares and make certain other housekeeping changes; and

5. to transact such further and other business as may properly be brought before the meeting or any adjournment thereof.

Accompanying this Notice of Meeting is a management information circular dated July 12, 2024 (the "**Circular**"), a form of proxy, a Return Card and a return envelope. Information relating to the items above is set forth in the Circular. The board of directors of the Corporation (the "**Board**") has fixed July 12, 2024 as the record date (the "**Record Date**") for the determination of shareholders entitled to notice of, and to vote at, the Meeting and any adjournment thereof. Only shareholders whose names have been entered in the registers of shareholders on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

Shareholders are not required to approve the Arrangement itself. However, approval of the Amendment Proposal is a condition to the completion of the Arrangement. In order for the Arrangement to proceed, the Amendment Proposal must be approved by the affirmative vote of at least $66^{2/3}$% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. If the Amendment Proposal is not approved by the requisite majority of Shareholders at the Meeting, the Arrangement cannot be completed.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Amendment Proposal

It is desirable that as many shares as possible be represented at the Meeting. The Corporation strongly encourages each Shareholder to submit a form of proxy or voting instruction form in advance of the Meeting. A Shareholder who is unable to attend the Meeting in person and who wishes to ensure that such Shareholder's shares will be voted at the Meeting is requested to complete the enclosed form of proxy or voting instruction form and return it as soon as possible in the envelope provided for that purpose. To be valid, all forms of proxy must be delivered to the Proxy Department of Odyssey Trust Company, 702-67 Yonge St., Toronto, Ontario M5E 1J8 no later than 9:30 a.m. (Toronto time) on August 23, 2024 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting. Late forms of proxy may be accepted or rejected by the Chair of the Meeting in his or her discretion but he or she is under no obligation to accept or reject any particular late forms of proxy. As an alternative to completing and submitting an instrument of proxy, you may vote electronically on the internet at https://login.odysseytrust.com/pxlogin. Shareholders who wish to vote using the internet should follow the instructions in the enclosed form of proxy.

Cansortium has elected to use the "notice-and-access" mechanism provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* to deliver the Meeting materials to Shareholders, including the Notice of Meeting, the Circular, the annual financial statements of the Corporation for the year ended December 31, 2023 (the "**Annual Financial Statements**") and the management's discussion and analysis ("**MD&A**") for the three and twelve months ended December 31, 2023 ("**Annual MD&A**"). This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials on Cansortium's website at www.investors.getfluent.com and under Cansortium's profile on SEDAR+ at www.sedarplus.ca. The Meeting materials will remain on Cansortium's website for a period of one year.

Shareholders as of the Record Date will receive a package in the mail containing a Notice of Availability of Meeting materials explaining how to access and review the Meeting materials electronically and how to request a paper copy of such materials free of charge, and a proxy form or a voting instruction form so that Shareholders can vote their shares. In addition, the package will include a place to request copies of the

Annual Financial Statements, the Annual MD&A and/or the interim financial statements and MD&A of the Corporation and a consent for electronic delivery.

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey Trust Company by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three business days of the request. If a request for paper copies is received on or after the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey Trust Company no later than August 13, 2024.

Your vote is important, regardless of the number of shares that you own. Whether or not you expect to attend the Meeting, we encourage you to vote using your form of proxy or voting instruction form, as applicable, as promptly as possible to ensure that your vote will be counted at the Meeting.

Dated this 12th day of July, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

"*William Smith*"

William Smith
Executive Chairman

CANSORTIUM INC.
5540 W. Executive Drive, Ste. 100
Tampa, Florida 33609

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 27, 2024

GLOSSARY OF TERMS

"**2020 Consulting Agreement**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – Consulting Fees*";

"**Adjusted Exchange Consideration**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Exchangeable Shares – Change of Control Adjustment*";

"**Alternative Exchangeable Security**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Exchangeable Shares – Change of Control Adjustment*";

"**Amendment Proposal**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal*";

"**Annual Financial Statements**" has the meaning given to it under "*General Proxy Information – Notice-and-Access;*

"**Annual MD&A**" has the meaning given to it under "*General Proxy Information – Notice-and-Access;*

"**Applicable Federal Law**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Purpose of the Creation and Exchange of the Exchangeable Shares*";

"**Arrangement**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – The Arrangement*";

"**Arrangement Agreement**" means the arrangement agreement entered into on May 30, 2024 ((as amended, supplemented or otherwise modified from time to time) between the Corporation and RIV Capital pursuant to which the Corporation will acquire all of the issued and outstanding RIV Shares in exchange for Common Shares;

"**Baker Tilly**" means Baker Tilly US, LLP;

"**Beasley Employment Agreement**" has the meaning given to it under "*Executive Compensation – Employee Agreements and Termination and Change of Control Benefits – Robert Beasley, Chief Executive Officer*";

"**Beneficial Ownership Requirement**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Hawthorne Investor Rights Agreement*";

"**Board**" means the board of directors of the Corporation;

"**Business and Ethics Code**" has the meaning given to it under "*Corporate Governance Practices*";

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory or civic holiday in the Province of Ontario;

"**Change of Board Time**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 1. Election of Directors*";

"**Change of Control**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Exchangeable Shares – Change of Control Adjustment*";

"**Circular**" means this management information circular dated July 12, 2024 in respect of the Meeting;

"**Combined Company**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – The Arrangement*";

"**Common Shares**" means the common shares in the capital of the Corporation;

"**Control Person Approval**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Exchange and Protection Agreement*";

"**Corporation**" or "**Cansortium**" means Cansortium Inc.;

"**CSA**" means the U.S. Federal Controlled Substances Act (21 U.S.C. § 811);

"**CSE**" means the Canadian Securities Exchange;

"**Current Slate**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 1. Election of Directors*";

"**Director Election Resolution**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 1. Election of Directors*";

"**Director Fees**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – Shares for Debt Conversions*";

"**Directors**" means the directors of the Corporation;

"**Effective Date**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Hawthorne Notes Exchange*";

"**Eligible Person**" has the meaning given to it under "*Executive Compensation – Compensation Discussion and Analysis – The RSU Plan*";

"**Exchange and Protection Agreement**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Hawthorne Notes Exchange*";

"**Exchange Ratio**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – The Arrangement*";

"**Exchangeable Shares**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal*";

"**Executive Officer**" has the meaning given to it under "*Executive Compensation – Named Executive Officers*";

"**Floor**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – The Smith Transaction*";

"**Floor Entitlement**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – The Smith Transaction*";

"**Floor Expiration Date**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – The Smith Transaction*";

"**Governance and Compensation Committee**" means the governance and compensation committee of the Board;

"**Hawthorne Investor Rights Agreement**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Hawthorne Investor Rights Agreement*";

"**Hawthorne Nominee**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Hawthorne Investor Rights Agreement*";

"**Hawthorne Notes**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Hawthorne Notes Exchange*";

"**Hawthorne Notes Exchange**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Hawthorne Notes Exchange*";

"**Informed Person**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions*";

"**Interim Period**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Exchange and Protection Agreement*";

"**Intermediary**" has the meaning given to it under "*General Proxy Information – Non-Registered Holders*";

"**MCTO**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 1. Election of Directors – Corporate Cease Trade Orders or Bankruptcies*";

"**Meeting**" means the annual and special meeting of the Shareholders to be held at 5540 W. Executive Drive, Ste. 100, Tampa, Florida 33609 on August 27, 2024, including any adjournment or postponement thereof;

"**Meeting Materials**" has the meaning given to it under "*General Proxy Information – Non-Registered Holders*";

"**Named Executive Officers**" or "**NEOs**" has the meaning given to it under "*Executive Compensation – Named Executive Officers*";

"**New Slate**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 1. Election of Directors*";

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"**Non-Registered Shareholders**" has the meaning given to it under "*General Proxy Information – Non-Registered Holders*";

"**Notice of Meeting**" means the Notice of Annual and Special Meeting of Shareholders accompanying the Circular;

"**NYSE**" means the New York Stock Exchange;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Odd Lot**" has the meaning given to it under "*Voting Shares and Principal Holders*";

"**Option Plan**" means the stock option plan of the Corporation dated effective March 14, 2019 and last approved by the Shareholders on August 16, 2023;

"**Options**" means the stock options to purchase Common Shares pursuant to the Option Plan;

"**Paradigm**" means Paradigm Capital Inc.;

"**Participants**" has the meaning given to it under "*Executive Compensation – Compensation Discussion and Analysis – Nature and Administration of the RSU Plan*";

"**Participant's Entitlement Date**" has the meaning given to it under "*Executive Compensation – Compensation Discussion and Analysis – The RSU Plan*";

"**Plan of Arrangement**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – The Arrangement*";

"**Proportionate Voting Shares**" means the proportionate voting shares in the capital of the Corporation;

"**PVS Offer**" has the meaning given to it under "*Voting Shares and Principal Holders*";

"**Q1 2023 Fees**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – Shares for Debt Conversions*";

"**Q2 2023 Fees**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – Shares for Debt Conversions*";

"**Q4 2022 Fees**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – Shares for Debt Conversions*";

"**Record Date**" means the record date for determining the Shareholders who are entitled to receive notice of and vote at the Meeting, being the close of business on July 12, 2024;

"**Registered Shareholders**" means the persons whose names appear on the register maintained by or on behalf of Cansortium as the owners of Shares;

"**RIV Capital**" means RIV Capital Inc.;

"**RIV Circular**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – The Arrangement*";

"**RIV Meeting**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – The Arrangement*";

"**RIV Shares**" means the issued and outstanding Class A common shares of RIV Capital;

"**RSU Plan**" means the restricted share unit plan of the Corporation dated effective May 17, 2021 and last approved by the Shareholders on August 16, 2023;

"**RSUs**" means the restricted share units entitling holders to receive Common Shares pursuant to the RSU Plan;

"**Scotts Miracle-Gro**" means The Scotts Miracle-Gro Company;

"**Shareholders**" means, collectively, the holders of the Common Shares and the holders of the Proportionate Voting Shares;

"**Shares**" means, collectively, the Common Shares and the Proportionate Voting Shares;

"**Smith Convertible Note**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – The Smith Transaction*";

"**Smith Group**" means, collectively, Can Endeavour LLC, Sage Investing LLC and Endeavour Holdings LLC, all of which are companies owned and/or controlled by William Smith, a director and the Executive Chairman of the Corporation;

"**Smith Investor Rights Agreement**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – The Smith Transaction*";

"**Smith Transaction**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – The Smith Transaction*";

"**Smith Transaction Agreement**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – The Smith Transaction*";

"**Smith Transaction Termination Agreement**" has the meaning given to it under "*Interest of Informed Persons in Material Transactions – The Smith Transaction*";

"**Support Agreements**" has the meaning given to it under "*Particulars of Matters to be Acted Upon – 3. Amendment Proposal – Background – Reasons for Recommendation of the Board*"; and

"**The Hawthorne Collective**" means The Hawthorne Collective, Inc.

GENERAL MATTERS

Information Contained in this Circular

The information contained in this Circular is furnished in connection with the solicitation by the management of Cansortium of proxies to be voted at the Meeting of the holders of Common Shares and the holders of Proportionate Voting Shares to be held at 5540 W. Executive Drive, Ste. 100, Tampa, Florida 33609 on August 27, 2024 at 9:30 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Meeting of Shareholders and at any adjournment(s) or postponements(s) thereof.

Cansortium is conducting the Meeting as an in person meeting that will allow Registered Shareholders and duly appointed proxyholders to participate. Only Registered Shareholders and duly appointed proxyholders (including any Non-Registered Shareholders who have appointed themselves as proxyholders) will be able to attend, ask questions and vote at the Meeting provided that they carefully follow the instructions set out in this Circular and the related proxy materials.

Unless otherwise stated, the information provided in this Circular is provided as of July 12, 2024. Information contained in the documents incorporated herein by reference is as of the respective dates stated therein. In this Circular, unless otherwise indicated or the context otherwise requires, terms defined under the heading "*Glossary of Terms*" shall have the meanings attributed thereto. Words importing the singular include the plural and vice versa and words importing gender include all genders.

Currency

In this Circular, references to "$" or "dollars" are to United States dollars; references to "C$" are to Canadian dollars. Amounts are stated in United States dollars unless otherwise indicated.

Forward-Looking Information

This Circular contains "forward-looking statements" or "forward-looking information" within the meaning of applicable securities legislation. Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cansortium or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this Circular. Examples of such statements and uncertainties include statements with respect to: the anticipated timing and outcome of the Arrangement; the anticipated benefits of the Arrangement to the parties and Shareholders; regulatory approval and the satisfaction or waiver of the conditions set out in the Arrangement Agreement; the issuance of the Exchangeable Shares in connection with the Hawthorne Notes Exchange; and the potential conversion of the Exchangeable Shares to Common Shares.

Risks, uncertainties and other factors involved with forward-looking statements and information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements and information, including but not limited to, the receipt of the necessary regulatory, court and shareholder approvals and the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Arrangement; legal and regulatory risks inherent in the cannabis industry, including the global regulatory landscape and enforcement related to cannabis, and such other risks discussed in the section entitled "*Risk Factors Relating to the Amendment*

Proposal" of this Circular and the "Risk Factors" sections contained in the documents incorporated herein by reference, including the Corporation's annual information form dated July 12, 2024 for the year ended December 31, 2023, which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

In respect of the forward-looking statements and information, the Corporation has provided such statements and information in reliance on certain assumptions that it believes are reasonable at this time. Although the Corporation believes that the assumptions and factors used in preparing the forward-looking information or forward-looking statements in this Circular are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. Should one or more of the foregoing risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Corporation has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The forward-looking information and forward-looking statements included in this Circular are made as of the date of this Circular and the Corporation does not undertake any obligation to publicly update such forward-looking information or forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable securities laws.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies is made on behalf of the management of the Corporation. Such solicitation will be made primarily by mail, but proxies may be solicited personally or by telephone by Directors and officers of the Corporation, who will not be remunerated therefore. The costs incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Circular will be borne by the Corporation. The cost of the solicitation will be borne by the Corporation.

Voting in advance of the Meeting using the Instrument of Proxy or voting instruction form in accordance with the instructions set out on your Instrument of Proxy or voting instruction form will ensure your votes are counted at the Meeting.

We encourage you to make sure that your votes are represented at the meeting. Please take the time to vote using the Instrument of Proxy or voting instruction form sent to you in accordance with the instructions thereon so that your shares are voted according to your instructions and represented at the Meeting. As an alternative to completing and physically submitting an instrument of proxy or voting instruction form, shareholders may vote electronically via the Internet at https://login.odysseytrust.com/pxlogin. Please follow the directions on the instrument of proxy or voting instruction form.

Please see the information under the heading "Appointment, Time for Deposit and Revocation of Proxies" below for important details regarding voting at the Meeting.

The Board has fixed the close of business on July 12, 2024 as the Record Date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting.

Cansortium will be relying on the notice-and-access delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting. Cansortium will pay for an Intermediary to deliver copies of proxy-related materials in connection with the Meeting to "objecting beneficial owners".

Notice-and-Access

Cansortium has elected to use the "notice-and-access" provisions provided for under NI 54-101 to deliver the Meeting materials to Shareholders, including the Notice of Meeting, this Circular, the annual financial statements of the Corporation for the year ended December 31, 2023 (the "**Annual Financial Statements**") and the management's discussion and analysis ("**MD&A**") for the three and twelve months ended December 31, 2023 ("**Annual MD&A**"). This means that, rather than receiving paper copies of these Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of these Meeting materials on Cansortium's website at www.investors.getfluent.com and under Cansortium's profile on SEDAR+ at www.sedarplus.ca. The Meeting materials will remain on Cansortium's website for a period of one year.

Registered Shareholders as of the Record Date will receive a package in the mail containing a Notice of Availability of Meeting Materials explaining how to access and review the Meeting materials electronically and how to request a paper copy of such materials free of charge, and a proxy form or a voting instruction form so Shareholders can vote their Shares. In addition, the package will include a place to request copies of the Annual Financial Statements, the Annual MD&A and/or the interim financial statements and MD&A of the Corporation and a consent for electronic delivery. Cansortium believes that notice-and-access will substantially reduce printing, paper and postage costs and is a more environmentally friendly and cost-effective way to distribute the Meeting materials to Shareholders.

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey Trust Company by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three business days of the request. If a request for paper copies is received on or after the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within ten calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey Trust Company no later than August 13, 2024.

Appointment, Time for Deposit and Revocation of Proxies

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper instrument of proxy to the Proxy Department of Odyssey Trust Company, 702-67 Yonge St., Toronto, Ontario M5E 1J8. As an alternative to completing and submitting a proxy for use at the Meeting, a Shareholder may vote electronically on the internet at https://login.odysseytrust.com/pxlogin. Votes cast electronically are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper Instrument of Proxy. Shareholders who wish to vote using internet should follow the instructions provided in the enclosed Instrument of Proxy. Votes cast electronically must be submitted no later than 9:30 a.m. (Toronto time) on August 23, 2024 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

The persons named as proxyholders in the Instrument of Proxy accompanying this Circular are Directors or officers of the Corporation and are representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) as his, her or its representative at the Meeting may do so by either: (i) crossing out the

names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid instrument of proxy. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Instrument of Proxy should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the instrument of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

In order to validly appoint a proxy, Instruments of Proxy must be deposited with the Corporation's transfer agent, Odyssey Trust Company, 702-67 Yonge St., Toronto, ON M5E 1J8, not later than 9:30 a.m. (Toronto time) on August 23, 2024 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting. After such time, the chair of the Meeting may accept or reject a instrument of proxy delivered to him or her in his or her discretion but is under no obligation to accept or reject any particular late Instrument of Proxy. A return envelope has been included with the material for the Meeting.

Legal Proxy – United States Non-Registered Shareholders

If you are a Non-Registered 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 voting information form 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 form to Odyssey Trust Company. Requests for registration from Non-Registered 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 appointee@odysseytrust.com and received by 9:30 a.m. (Toronto time) on August 23, 2024.

Revoking a Proxy

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

(i) completing and signing a proxy bearing a later date and depositing it at the offices of Odyssey Trust Company, at any time up to and including the last Business Day preceding the day of the Meeting or any adjournment or postponement thereof;

(ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Odyssey Trust Company, at any time up to and including the last Business Day preceding the day of the Meeting or any adjournment or postponement thereof or with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment or postponement thereof; or

(iii) in any other manner permitted by law. Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

If a Shareholder has voted on the internet and wishes to change such vote, such Shareholder may vote again through such means before 9:30 a.m. (Toronto time) on August 23, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

Signature on Proxies

The Instrument of Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Shares represented by the proxy submitted by a Shareholder will be voted or withheld from voting in accordance with the instructions, if any, of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly by the proxy.

In the absence of such direction in respect of a particular matter, such Shares will be voted in favor of such matter. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any such amendments, variations or other matters which are not now known to the management of the Corporation should properly come before the Meeting, the Shares represented by the proxies hereby solicited will be voted thereon in accordance with the best judgment of the person or persons voting such proxies.

All matters to be voted upon as set forth in the Notice of Meeting require approval by a simple majority of all votes cast at the Meeting, other than as otherwise set out in this Circular.

Non-Registered Holders

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of NI 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy (collectively the "**Meeting Materials**") to Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders of Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Shareholders. A Non-Registered Shareholder who has not waived the right to receive the Meeting Materials will either be given:

(a) 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**, in accordance with the directions of the Intermediary and which will constitute voting instructions which the Intermediary must follow; or

(b) a form of proxy **which has already been signed by the Intermediary** (typically a facsimile signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. This form of proxy does not require the Intermediary to sign when submitting the proxy. In this case the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Corporation, c/o Odyssey Trust Company, 702-67 Yonge St., Toronto, ON M5E 1J8**.

In either case, the purpose of these procedures is to permit the Non-Registered Shareholder to direct the voting of the shares of the Corporation the Non-Registered Shareholder beneficially owns. Should a Non-Registered Shareholder wish to attend and vote at the Meeting in person, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert his or her name in the space provided for the purpose on the voting instructions form and return it in accordance with the directions of the Intermediary. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Non-Registered Shareholders.

The Non-Registered Shareholder should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instructions form is to be delivered.

A Non-Registered Shareholder may revoke a form of proxy or voting instructions form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

Non-Objecting Beneficial Owners

These Meeting Materials are being sent to both registered and non-registered owners of the securities. If you are a Non-Registered Shareholder who does not object to the Corporation knowing who you are, the Corporation has sent these materials directly to you, and your name and address and information about your holdings of securities have been obtained in accordance with NI 54-101 from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Circular, none of the Directors or executive officers of the Corporation, no proposed nominee for election as a Director of the Corporation, none of the persons who

have been Directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Proportionate Voting Shares.

As of July 12, 2024, the Corporation had: (i) 276,383,283 Common Shares outstanding, representing approximately 91.4% of the voting rights attached to the outstanding securities of the Corporation, each of which carries the right to one (1) vote in respect of each of the matters properly coming before the Meeting; and (ii) 2,592,664 Proportionate Voting Shares outstanding, representing approximately 8.6% of the voting rights attached to the outstanding securities of the Corporation, each of which carries the right to ten (10) votes in respect of each of the matters properly coming before the Meeting.

Generally, the Common Shares and Proportionate Voting Shares have the same rights, are equal in all respects and are treated by the Corporation as if they were shares of one class only. Proportionate Voting Shares, or fractions thereof, may at any time, at the option of the holder and subject to certain restrictions, be converted into Common Shares at a ratio of ten (10) Common Shares per Proportionate Voting Share. Prior to conversion, each Proportionate Voting Share, or fraction thereof, carries ten (10) votes per share (compared to one vote per Common Share) and is entitled to dividends and liquidation distributions in an amount equal to ten (10) times the amount distributed in respect of each Common Share.

If an offer is being made for Proportionate Voting Shares (a "**PVS Offer**") where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Common Shares, the holders of Common Shares have the right, pursuant to the articles of the Corporation, at their option, to convert their Common Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Common Shares to tender to such PVS Offer, provided that such conversion into Proportionate Voting Shares will be solely for the purpose of tendering the Proportionate Voting Shares to the PVS Offer in question and that any Proportionate Voting Shares that are tendered to the PVS Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

In the event that holders of Common Shares are entitled to convert their Common Shares into Proportionate Voting Shares in connection with a PVS Offer pursuant to (ii) above, holders of an aggregate of Common Shares of less than ten (10) (an "**Odd Lot**") will be entitled to convert all but not less than all of such Odd Lot of Common Shares into an applicable fraction of one Proportionate Voting Share, provided that such conversion into a fractional Proportionate Voting Share will be solely for the purpose of tendering the fractional Proportionate Voting Share to the PVS Offer in question and that any fraction of a Proportionate Voting Share that is tendered to the PVS Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

Unless otherwise stated herein, each resolution identified in the accompanying Notice of Meeting will be an ordinary resolution requiring for its approval a majority of the votes in respect of the resolution.

The By-Laws of the Corporation provide that holders of fifteen percent (15%) of Shares entitled to vote at the Meeting, whether present in person or represented by proxy, shall constitute a quorum for the Meeting.

As of the Record Date, to the knowledge of the Directors and executive officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control over, Shares carrying 10% or more of the voting rights attached to any class of Shares of the Corporation, except as follows:

Name, Jurisdiction of Residence	Number of Shares [(1)(2)]	Class of Shares	Percentage of Class [(1)(2)]	Percentage of Voting Rights of the Shares
William Smith (Gulf Breeze, Florida)	1,421,538 [(3)]	Proportionate Voting Shares	54.8%	4.7%
	62,615,352 [(3)]	Common Shares	22.7%	20.7%
Brian Brady (Okemos, Michigan)	28,079,165	Common Shares	10.2%	9.3%

Notes:

(1) Based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR).

(2) On an issued and undiluted basis of 276,383,283 Common Shares, not giving effect to the exercise of securities convertible, redeemable or exchangeable into Common Shares held by such person, as applicable.

(3) 1,758,984 Common Shares are owned by William Smith; 19,012,622 Common Shares are owned by Sage Investing LLC; 20,288,263 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings, LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by William Smith.

EXECUTIVE COMPENSATION

Named Executive Officers

Pursuant to applicable securities regulations, the Corporation must disclose the compensation paid to its "**Named Executive Officers**" (or "**NEOs**"). This includes the Corporation's Chief Executive Officer, the Corporation's Chief Financial Officer and the other three most highly compensated Executive Officers including any of the Corporation's subsidiaries provided that disclosure is not required for those Executive Officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation did not exceed $150,000.

An "**Executive Officer**" of the Corporation means an individual who at any time during the financial year was (a) a chair, vice-chair or president of the Corporation; (b) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production; or (c) performing a policy-making function in respect of the issuer.

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Corporation. In determining executive compensation, the Board considers

the Corporation's financial circumstances at the time decisions are made regarding executive compensation, and also the anticipated financial situation of the Corporation in the mid-term and long-term.

The Board's responsibilities relating to the compensation and retention of Named Executive Officers include, but are not limited to:

- setting policies for Named Executive Officers' remuneration;
- reviewing and approving salary, bonus, and other benefits, direct or indirect, and any change-of-control packages of the Chief Executive Officer;
- considering the recommendations of the Chief Executive Officer and setting the terms and conditions of employment including, approving the salary, bonus, and other benefits, direct or indirect, and any change-of-control packages, of the Named Executive Officers of the Corporation; and
- overseeing the administration of the Corporation's compensation plans, including the Option Plan (as defined herein), RSU Plan (as defined herein) and such other compensation plans or structures as are adopted by the Corporation from time to time.

The following executive compensation principles guide the Board in fulfilling its roles and responsibilities in the design and ongoing administration of the Corporation'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-term and long-term rewards; and
- compensation programs must align executives' long-term financial interests with those of Shareholders by providing equity-based incentives.

The Corporation does not have formal benchmarks for assessing and setting executive compensation. However, the Corporation reviews compensation programs of companies in its peer group to ensure that executive compensation is within the parameters of companies of a similar size and within the same industry. Levels of compensation are also established and maintained with the intent of attracting and retaining superior quality employees while ensuring that the levels are not contrary to the interests of Shareholders.

The Corporation's general executive compensation philosophy is to, whenever possible, pay its Named Executive Officers "base" compensation in the form of salaries that are competitive in comparison to those earned by executive officers holding comparable positions with other entities similar to the Corporation, while at the same time providing its Named Executive Officers with the opportunity to earn above average "total" compensation through the Option Plan and other equity-based compensation structures as may be approved by the Corporation's Shareholders.

The Corporation's executive compensation program is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short-term and the long term. For NEOs, the compensation program is designed to provide a larger portion of variable incentives tied to corporate performance. NEO compensation includes base salary, bonus and benefits, and stock options. Salaries are a base level of compensation designed to attract and retain executive offices with the

appropriate skills and experience. Stock option grants through the Option Plan were designed to provide incentives to increase shareholder value over the longer-term and thereby better align executive compensation with the interests of Shareholders.

Each element of executive compensation is carefully considered by the Board to ensure that there is the right mix of short-term and long-term incentives for the purposes of achieving the Corporation's goals and objectives.

Base Salary

An NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each Named Executive Officer is determined by the Board based on an assessment by the Board of his or her sustained performance and consideration of competitive compensation levels for the markets in which the Corporation operates. In making its determinations, the Board also considers the particular skills and experience of the individual. A final determination on executive compensation, including salary, is made by the Board in its sole discretion and its knowledge of the industry and geographic markets in which the Corporation operates. The Board does not use any type of quantitative formula to determine the base salary level of any of the NEOs.

Base salaries are reviewed annually to ensure that they properly reflect a balance of market conditions, the levels of responsibilities and accountability of each individual, their unique experience, skills and capability and level of sustained performance.

Equity Based Awards

Equity-based awards are a variable element of compensation that allows the Corporation to incentivize and retain its executive officers for their sustained contributions to the Corporation. Equity awards reward performance and continued employment with the Corporation. The equity awards included in the Corporation's compensation structure include Options and RSUs.

For a description of the terms of the Option Plan and RSU Plan, including who is entitled to Options and RSUs, vesting terms, settlement, and other relevant terms, see "*The Option Plan*" and "*The RSU Plan*" below.

The Options component of Named Executive Officers' compensation is intended to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to remain associated with the Corporation and providing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. Grants under the Option Plan are intended to provide long term awards linked directly to the market value performance of the Common Shares. The Board reviews management's recommendations and Options are granted according to the specific level of responsibility of the particular executive and the number of Options for each level of responsibility is determined by the Board.

The RSU Plan is designed to be a long term incentive for the directors, officers, consultants, contractors and other key employees of the Corporation. RSUs provide the Corporation with an additional compensation tool to help retain and attract highly qualified directors, officers, consultants, contractors and employees.

The number of outstanding Options and RSUs are considered by the Board when determining the number of Options to be granted in any particular year due to the limited number of Options and RSUs, on a collective basis, which are available for grant under the Option Plan and RSU Plan, respectively.

As of the date of this Circular, there were 8,788,425 Options outstanding under the Option Plan and 2,660,385 RSUs outstanding under the RSU Plan. Given that the Corporation has 302,309,923 Common Shares issued and outstanding as at the date of this Circular (assuming the conversion of all Proportionate Voting Shares into Common Shares), the aggregate number of Common Shares available for issuance under the Option Plan and RSU Plan, on a collective basis, is 18,782,182 Common Shares.

The Option Plan

The Corporation has adopted a 10% "rolling" Option Plan dated effective March 17, 2019 and last approved by the Shareholders on August 16, 2023 for a further three years, in accordance with the policies of the CSE. The Option Plan was established to provide incentives to increase individual performance and shareholder value, and to assist with the retention of directors, officers, employees and consultants. The following provides a summary of the principal features of the Option Plan, a copy of which is available under the Corporation's SEDAR+ profile at www.sedarplus.ca. Capitalized terms used in this section but not defined have the meanings ascribed to them in the Option Plan.

The Option Plan of the Corporation is considered an "evergreen" plan since the Common Shares covered by Options which have been exercised or which have been cancelled, expired or otherwise terminated for any reason without having been exercised, for any reason, shall be available for subsequent grants under the Option Plan and the number of Options available to grant increases as the number of issued and outstanding Common Shares of the Corporation increases. Accordingly, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the Option Plan will increase accordingly.

The Board may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants, non-assignable and non-transferable options to purchase Common Shares and Proportionate Voting Shares; provided that the number of the Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares on an as-converted basis.

The Board or its appointed committee may, in its sole discretion, determine the expiry date(s) of the Options. Incentive Stock Options (Options that qualify as an incentive stock option within the meaning of Section 422(b) of the United States Internal Revenue Code of 1086, as amended) granted under the Option Plan are exercisable up to five (5) years from the date of grant, so long as the optionee maintains its eligibility under the Option Plan. The number of Common Shares reserved for issuance to any optionee cannot exceed 5% of the then issued and outstanding Common Shares on an as-converted basis and the number of Common Shares reserved for issuance to consultants cannot exceed 2% of the then issued and outstanding Common Shares on an as-converted basis.

The minimum exercise price of an Option granted under the Option Plan must not be less than the greater of the closing trading price of the Common Shares on the day immediately preceding the grant date and the grant date.

The RSU Plan

On May 17, 2021, the Corporation adopted the RSU Plan, which was last approved by the Shareholders on August 16, 2023 for a further three years in accordance with the policies of the CSE. The RSU Plan is

designed to provide certain directors, officers, consultants, contractors and other key employees (an "**Eligible Person**") of the Corporation and its related entities with the opportunity to acquire RSUs of the Corporation. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Corporation thus promoting the alignment of an Eligible Person's interests with that of the Shareholders. The Board may appoint a committee to be responsible for administering the RSU Plan.

The following provides a summary of the principal features of the RSU Plan, a copy of which is available under the Corporation's SEDAR+ profile at www.sedarplus.ca. Capitalized terms used in this section but not defined have the meanings ascribed to them in the RSU Plan.

The Governance and Compensation Committee is authorized to grant RSUs to an Eligible Person subject to the terms of the RSU Plan. Each vested, whole RSU granted under the RSU Plan shall be denominated or payable in Common Shares or, at the option of the Corporation in cash, and shall confer on the holder thereof the right to receive one Common Share from treasury (subject to adjustment in accordance with the RSU Plan), upon the completion of certain conditions during such periods as the Governance and Compensation Committee shall establish (with such date on which all such conditions are satisfied and the RSUs fully vested being referred to as the "**Participant's Entitlement Date**"). Subject to the terms of the RSU Plan, the conditions to be completed during any period, the length of any period, the amount of any RSU granted, the number of treasury Common Shares receivable pursuant to any RSU and any other terms and conditions of the RSU shall be determined by the Governance and Compensation Committee at the time of grant. A RSU will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of the RSU Plan, as the Governance and Compensation Committee shall determine.

Nature and Administration of the RSU Plan

All Eligible Persons are eligible to participate in the RSU Plan (as "**Participants**"), and the Corporation reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

The Board or its appointed committee may, in its sole discretion, define: (i) the time during which an RSU shall vest and whether there shall be any other conditions or performance criteria to vesting; (ii) the method of vesting; or (iii) that no vesting restriction shall exist. In the absence of any determination by the Board or appointed committee to the contrary, RSUs shall vest three years after the date of grant.

RSUs and all other rights, benefits or interests in the RSU Plan are non-transferable except to Permitted Assigns.

Resignation, Termination or Death

Except as otherwise determined by the Governance and Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant's employment (as determined under criteria established by the Governance and Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of an RSU, all unvested RSUs held by the Participant shall be forfeited and cancelled; provided, however, that the Governance and Compensation Committee may, if it determines that a waiver would be in the best interest of the Corporation, waive in whole or in part any or all remaining restrictions or conditions with respect to any such RSU.

Control Change

Any unvested RSUs held by a Participant at the time of a Merger and Acquisition Transaction (as defined in the RSU Plan) shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Corporation within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Governance and Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Common Shares (or other securities or other property) issuable pursuant to an RSU resulting from a Merger and Acquisition Transaction is impractical or impossible. In such an event, the Governance and Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of RSUs.

Vesting

The Board has discretion to grant RSUs to Eligible Persons as it determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the performance criteria if any. Vesting occurs on the date set by the Board at the time of the grant or if no date is set then vesting shall be three years following the date of the grant.

Limitations under the RSU Plan

Unless permitted otherwise by the rules of the CSE:

(a) the maximum number of Common Shares which may be reserved for issuance to Insiders (as a group) under the RSU Plan, together with any other share-based compensation arrangement, may not exceed 10% of the Outstanding Issue;

(b) the maximum number of RSUs that may be granted to Insiders (as a group) under the RSU Plan, together with any other share-based compensation arrangement, within a 12-month period, may not exceed 10% of the Outstanding Issue;

(c) the maximum number of RSUs that may be granted to any one Eligible Person under the RSU Plan, together with any other share-based compensation arrangement, within a 12-month period, may not exceed 5% of the Outstanding Issue.

Summary Compensation Table

The following table sets forth the compensation earned by the NEOs for the Corporation's three most recently completed financial years.

Name and principal position	Year	Salary ($)	Share-based awards ($) [1]	Option-based awards ($) [2]	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)[6]	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Robert Beasley [3] CEO	2023	441,667	95,000	61,093	175,000	NIL	NIL	NIL	772,760
	2022	360,000	NIL	66,319	NIL	NIL	NIL	200,000	626,319

	2021	360,000	NIL	NIL	100,000	NIL	NIL	125,000	585,000
William Smith Executive Chairman	2023	NIL	NIL	NIL	NIL	NIL	NIL	175,000[10]	175,000
	2022	NIL	NIL	NIL	NIL	NIL	NIL	200,000 [7]	200,000
	2021	NIL	NIL	125,947	NIL	NIL	NIL	2,975,009 [8]	3,100,956
Patricia Fonseca [3] CFO and Corporate Secretary	2023	NIL	NIL	NIL	NIL	NIL	NIL	36,225 [3]	36,225
	2022	210,628	NIL	NIL	NIL	NIL	NIL	NIL	210,628
	2021	180,865	NIL	146,520	NIL	NIL	NIL	NIL	327,385
Jeffrey Batliner [5] Former CFO	2023	196,154	19,000	39,073	NIL	NIL	NIL	NIL	254,227
Liora Boudin [4] Former interim CFO	2023	113,846	NIL	NIL	3,000	NIL	NIL	NIL	116,846
	2022	140,154	NIL	NIL	NIL	NIL	NIL	NIL	140,154
Samantha Hymes, Executive Vice President	2023	238,269	92,008	NIL	23,219	NIL	NIL	NIL	353,495
	2022	213,846	NIL	NIL	NIL	NIL	NIL	NIL	213,846
	2021	194,615	NIL	NIL	NIL	NIL	NIL	23,380	217,995
Victor Bindi Director of Sales	2023	223,990	57,955	NIL	6,609	NIL	NIL	NIL	288,555
	2022	203,846	NIL	NIL	NIL	NIL	NIL	NIL	203,846
	2021	103,077	NIL	103,473	NIL	NIL	NIL	NIL	206,550
Todd Buchman Former Chief Legal Officer and Corporate Secretary[9]	2023	341,311	NIL	18,931	NIL	NIL	NIL	135,265 [9]	495,506
	2022	350,000	NIL	NIL	NIL	NIL	NIL	NIL	350,000
	2021	350,000	NIL	NIL	37,500	NIL	NIL	129,440	516,940
Christine Senne Director of Compliance	2023	181,346	19,000	NIL	41,609	NIL	NIL	NIL	241,956
	2022	158,976	NIL	NIL	15,000	NIL	NIL	NIL	173,976
	2021	127,730	NIL	NIL	NIL	NIL	NIL	NIL	127,730

Notes:

(1) Share-based awards do not represent cash received. Share-based awards reflect the market value of the Corporation's Common Shares at the time of issuance.

(2) Option-based awards do not represent cash received. They represent the fair value of options granted during the period using the Black Scholes pricing model. This method was chosen as it is a recognized standard for valuations.

(3) Patricia Fonseca resigned as Chief Financial Officer of the Corporation effective November 21, 2022. Ms. Fonseca subsequently rejoined the Corporation as Chief Financial Officer and Corporate Secretary effective May 13, 2024. Other compensation paid to Mrs. Fonseca in 2023 represents consulting fees paid under a consulting agreement.

(4) Liora Boudin served as Interim Chief Financial Officer of the Corporation from November 21, 2022 to March 14, 2023.

(5) Jeffrey Batliner was appointed as Chief Financial Officer of the Corporation on March 14, 2023. Mr. Batliner resigned as Chief Financial Officer of the Corporation effective May 13, 2024.

(6) Except where noted, other compensation consists primarily of performance bonuses and other perquisites, such as employer-paid health premiums.

(7) Other compensation paid to Mr. Smith in the year ended 2022, represents annual compensation paid to Mr. Smith as Executive Chairman of the Corporation, 50% of which was paid in Common Shares.

(8) Other compensation paid to Mr. Smith in the year ended 2021, represents $2,005,009 paid to Can Endeavour LLC and Sage Investing LLC in 2021 and $870,000 of accrued and unpaid balance owing to the Smith Entities since 2019 for consulting services provided to the Corporation. Also includes $100,000 of board fees for the year ended December 31, 2021.

(9) Todd Buchman resigned as Chief Legal Officer of the Corporation effective September 1, 2023 and has continued to provide consulting services to the Corporation. Other compensation paid to Mr. Buchman in 2023 represents consulting fees paid under a consulting agreement.

(10) Other compensation paid to Mr. Smith in the year ended 2023, represents annual compensation paid to Mr. Smith as Executive Chairman of the Corporation, $125,000 of which was paid in Common Shares.

Incentive Plan Awards - Outstanding Share and Option-Based Awards

The following table sets forth the outstanding option and share based awards of NEOs as of December 31, 2023.

	Option-based Awards				Share-based Awards		
Name and principal position	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the- money options ($) [1]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($) [2]**
Robert Beasley, CEO	1,750,000 700,000	0.10 0.20	July 17, 2026 December 19, 2027	NIL NIL	666,667	$60,000	$30,000
William Smith, Executive Chairman	250,000	0.90	August 31, 2026	NIL	NIL	NIL	NIL
Jeffrey Batliner [3] Former CFO	500,000[5]	$0.10	May 13, 2025	NIL	133,333	$12,000	$6,000
Liora Boudin, [4] Former Interim CFO	120,000	0.75	September 8, 2024[5]	NIL	NIL	NIL	NIL
Samantha Hymes, EVP	NIL	NIL	-	NIL	645,667	$58,110	$29,055
Victor Bindi, Director of Sales	NIL	NIL	-	NIL	406,700	$36,603	$18,301
Todd Buchman, Former Chief Legal Officer and Corporate Secretary [5]	400,000 3,166,725 200,000	0.40 0.30 0.32	July 17, 2026 July 17, 2026 July 17, 2026	NIL NIL NIL	NIL	NIL	NIL
Christine Senne, Director of Compliance	NIL	NIL	-	NIL	133,333	$12,000	$6,000

Notes:

(1) Based on closing price of the Common Shares on the CSE on December 29, 2023 of $0.09.

(2) Market value of share-based awards that have vested but have not been paid out or distributed is calculated as the number of RSUs outstanding as at December 31, 2023 multiplied by the closing price of the Common Shares at that date, which was $0.09.
(3) Jeffrey Batliner was appointed as Chief Financial Officer of the Corporation on March 14, 2023. Mr. Batliner resigned as Chief Financial Officer of the Corporation effective May 13, 2024 and as such, 66,680 RSUs and 166,700 vested Options held by Mr. Batliner remain outstanding, which expire on May 13, 2025.
(4) Liora Boudin served as Interim Chief Financial Officer of the Corporation from November 21, 2022 to March 14, 2023. Ms. Boudin departed the Corporation effective September 8, 2023 and as such, the vested Options now expire on September 8, 2024.
(5) Todd Buchman resigned as Chief Legal Officer of the Corporation effective September 1, 2023.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value vested of option and share based awards for NEOs during the year ended December 31, 2023.

Name and principal position	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 Beasley [3], CEO	NIL	31,667	175,000
William Smith Executive Chairman	NIL	NIL	NIL
Jeffrey Batliner, Former CFO [3]	NIL	6,333	NIL
Liora Boudin, [4] Former Interim CFO	NIL	NIL	3,000
Samantha Hymes, EVP	NIL	30,669	23,219
Victor Bindi, Director of Sales	NIL	18,318	6,609
Todd Buchman, Former Chief Legal Officer and Corporate Secretary	NIL	NIL	NIL
Christine Senne, Director of Compliance	NIL	6,333	41,609

Notes:
(1) Option based awards do not represent cash received. The value of Options is calculated based on the value that would have been realized if the options had been exercised on the vesting date by taking the difference between the market price of the underlying Common Shares on the vesting date and the exercise price.
(2) Share based awards do not represent cash received. Awards are shown at the market value of the Common Shares at the time of issuance of the RSUs.
(3) Jeffrey Batliner was appointed as Chief Financial Officer of the Corporation on March 14, 2023. Mr. Batliner resigned as Chief Financial Officer of the Corporation effective May 13, 2024.
(4) Liora Boudin served as Interim Chief Financial Officer of the Corporation from November 21, 2022 to March 14, 2023.

Employee Agreements and Termination and Change of Control Benefits

Robert Beasley, Chief Executive Officer

The Corporation had entered into an employment agreement dated September 29, 2020, as amended on March 1, 2021, December 1, 2022 and July 14, 2023 (the "**Beasley Employment Agreement**") with Robert Beasley, CEO, pursuant to which Mr. Beasley is entitled an annual base salary of $500,000. If such

agreement is terminated by the Corporation without cause, the Corporation is obligated to pay Mr. Beasley twelve months of base salary. If the Beasley Employment Agreement is terminated by the Corporation without cause in anticipation of or within six months following a change in control, the Corporation is obligated to pay Mr. Beasley three times his annual base salary. If such termination occurs after the six months following a change in control, the Corporation is obligated to pay Mr. Beasley up to two times his annual base salary, reduced for the number of months worked since the date of the change in control, and subject to a minimum of twelve months of base salary. Any such payments are conditioned upon Mr. Beasley executing a release in favor of the Corporation.

Samantha Hymes, Executive Vice President

The Corporation has entered into an employment agreement with Samantha Hymes, Executive Vice President, whereby she is currently compensated at the rate of $250,000 annually. If such agreement is terminated without Cause (as defined therein) or for Good Reason (as defined therein), Ms. Hymes would be entitled to the following, subject to executing a release in favor of the Corporation: (i) salary and benefits continuance for up to six months subject to offset in the third month if other employment is secured, subject to executing a release in favor of the Corporation.

Victor Bindi, Director of Sales

The Corporation has entered into an employment agreement with Victor Bindi, Sales Director, whereby he is currently compensated at the rate of $220,000 annually. If such agreement is terminated without Cause (as defined therein), Mr. Bindi would be entitled to the following, subject to executing a release in favor of the Corporation: (i) salary and benefits continuance for up to three months or until other employment is secured, subject to executing a release in favor of the Corporation.

Patricia Fonseca, Chief Financial Officer

The Corporation has entered into an offer of employment dated May 16, 2024 with Patricia Fonseca, Chief Financial Officer, pursuant to which Ms. Fonseca is compensated at the rate of $300,000 annually. Upon completion of the Arrangement, Ms. Fonseca will be entitled to an annual base salary of $320,000.

Director Compensation

Director compensation matters are dealt with by the Board as a whole. Each director who is not also an NEO was paid the following directors fees, as applicable, in 2023: (i) an annual fee of $100,000 for being a member of the Board and an annual fee of $150,000 for being the Executive Chairman. During the year ended December 31, 2023, the non-executive Directors received a combination of cash and Common Shares as compensation for acting as directors of the Corporation.

All directors are reimbursed for their respective out of pocket expenses in relation to their attendance at Board meetings and committee meetings.

Director Compensation Table

The following table describes all compensation provided to the non-executive Directors of the Corporation for the year ended December 31, 2023.

Name	Fees Earned[(1)]	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
	($)	($)	($)	($)	($)	($)	($)
Roger Daher	125,000	NIL	NIL	NIL	NIL	NIL	125,000
John McKimm[(2)]	75,000	NIL	NIL	NIL	NIL	NIL	75,000
Mark Eckenrode	125,000	NIL	NIL	NIL	NIL	NIL	125,000
John Mazarakis[(3)]	50,000	NIL	NIL	NIL	NIL	NIL	50,000

Notes:

(1) Represents annual compensation paid to the directors of the Corporation, % of which was satisfied by the issuance of Common Shares.
(2) Mr. McKimm resigned from the board of directors of the Corporation effective as of June 30, 2023.
(3) Mr. Mazarakis was added to the board of directors of the Corporation on July 13, 2023.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards – Directors

The following table sets forth the outstanding option and share based awards for non-executive Directors of the Corporation as of December 31, 2023.

	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the- Money Options ($) [(1)]	Number of Shares or Units of Shares that Have Not Vested ($)	Market or Payout Value of Share-Based Awards that Have Not Vested ($)	Market or payout value of vested share- based awards not paid out or distributed ($)
Roger Daher	600,000 200,000	0.40 0.77	May 26, 2025 January 22, 2026	NIL NIL	NIL	NIL	NIL
John McKimm[(2)]	600,000	0.40	May 26, 2025	NIL	NIL	NIL	NIL
Mark Eckenrode	250,000	0.83	August 31, 2026	NIL	NIL	NIL	NIL
John Mazarakis[(3)]	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Notes:

(1) Based on the closing price of the Common Shares on the CSE on December 29, 2023 of $0.09.
(2) Mr. McKimm resigned from the board of directors of the Corporation effective as of June 30, 2023.
(3) Mr. Mazarakis was added to the board of directors of the Corporation on July 13, 2023.

Incentive Plan Awards – Value Vested or Earned During the Year by Directors

The following table sets forth the value of vested option and share based awards for non-executive Directors of the Corporation during the year ended December 31, 2023.

Name	Option-Based Awards – Value Vested During the Year	Share-Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned During the Year
	($)	($)	($)
Roger Daher	NIL	NIL	NIL
John McKimm[(1)]	NIL	NIL	NIL
Mark Eckenrode	NIL	NIL	NIL
John Mazarakis[(2)]	NIL	NIL	NIL

Notes:

(1) Mr. McKimm resigned from the board of directors of the Corporation effective as of June 30, 2023.

(2) Mr. Mazarakis was added to the board of directors of the Corporation on July 13, 2023.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the date of the end of the Corporation's most recently completed fiscal year on December 31, 2023, regarding the number of Common Shares to be issued upon the exercise of outstanding Options and vesting of the outstanding RSUs, as well as the weighted-average exercise price of the outstanding Options in connection with the Option Plan.

Plan Category	Number of securities to be issued upon exercise/vesting of outstanding Options/RSUs	Weighted-average exercise price of outstanding Options	Number of Common Shares remaining available for future issuance under equity compensation plans[(1)]
Option Plan	9,146,725	0.31	14,944,891
RSU Plan	5,861,320	-	14,944,891
Total	**15,008,045**	**0.31**	**14,944,891**

Notes:

(1) Pursuant to the Option Plan and RSU Plan, the aggregate number of authorized but unissued Common Shares that may be issued under the Option Plan and RSU Plan, on a collective basis, at any time shall not exceed 10% of the issued and outstanding Common Shares on an as-converted basis at any time. As at December 31, 2023, there were 273,602,727 Common Shares and 2,592,664 Proportionate Voting Shares issued and outstanding (299,529,367 Common Shares issued and outstanding assuming conversion of all Proportionate Voting Shares into Common Shares).

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

The articles of the Corporation provide that the Board shall consist of a minimum of three (3) and a maximum of fifteen (15) Directors, the number of which may be fixed from time to time by a resolution of the Board. At the Meeting, Shareholders will be asked to consider, and if thought appropriate, to pass an ordinary resolution to (A) elect the five (5) directors of the Corporation (the "**Current Slate**") listed below to serve from the close of the Meeting until the earlier of (i) the close of the next annual meeting of Shareholders, (ii) the time of completion of the Arrangement (the "**Change of Board Time**"), and/or (iii) such time that their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the articles of the Corporation or the provisions of the OBCA; and (B) to elect the seven (7) directors of the Corporation (the "**New Slate**") listed below to serve from the Change of Board Time until the close of the next annual meeting of Shareholders of the Corporation or until their successors are elected or appointed (the "**Director Election Resolution**"), the full text of which is set out below.

Pursuant to the Arrangement Agreement, the parties covenanted and agreed that the New Slate, comprised of Robert Beasley, William Smith, Mark Eckenrode, John Mazarakis, Christopher Hagedorn, Dawn Sweeney and Richard Mavrinac be elected, effective at the Change of Board Time, as directors of the Corporation.

The Corporation currently has five (5) Directors, and the Board has determined to set the number of directors effective immediately prior to the Change of Board Time at five (5) Directors. Conditional upon completion of the Arrangement, the Board has determined to set the number of directors effective immediately following the Change of Board Time at seven (7) Directors.

At the time of the Meeting, the Arrangement will not yet have been completed and, as such, there can be no assurance that it will be completed.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve and authorize the following resolutions in respect of the director election:

"**BE IT HEREBY RESOLVED THAT**:

1. the election of Robert Beasley, William Smith, John Mazarakis, Roger Daher and Mark Eckenrode as directors of the Corporation to hold office until the earlier of:

    (i) the close of the next annual meeting of shareholders of the Corporation;

    (ii) the Change of Board Time (as defined in the management information circular of the Corporation dated July 12, 2024); and

    (iii) their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Ontario),

    is hereby approved; and

2. conditional upon completion of the Arrangement, the election of Robert Beasley, William Smith, Mark Eckenrode, John Mazarakis, Christopher Hagedorn, Dawn Sweeney and Richard Mavrinac

as directors of the Corporation to hold office from the Change of Board Time until the next annual meeting of the shareholders of the Corporation, or until their successors are elected or appointed, is hereby approved."

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Director Election Resolution. In order to be effective, the Director Election Resolution requires approval of a majority of the eligible votes cast in respect thereof by Shareholders, present in person or by proxy at the Meeting. Unless the Shareholder has specified in the enclosed form of proxy that the Shares represented by such proxy are to be withheld from voting in favour of the Director Election Resolution, the persons named in the enclosed form of proxy will vote IN FAVOUR of the Director Election Resolution.

The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed director nominees do not stand for election or are unable to serve as such, **proxies held by the persons designated as proxyholders in the accompanying instrument of proxy will be voted IN FAVOUR of another director nominee in their discretion unless the Shareholder has specified in his or her form of proxy that his or her Shares are to be withheld from voting in the election of directors.** Each director elected as: (A) a Current Slate director will hold office from the close of the Meeting until the earlier of (i) the next annual meeting of Shareholders, (ii) until the Change of Board Time, and/or (iii) their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the articles of the Corporation or the provisions of the OBCA; and (B) a New Slate director will hold office from the Change of Board time until (i) the next annual meeting of Shareholders, or (ii) their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the OBCA to which the Corporation is subject or any similar corporate legislation to which the Corporation becomes subject.

See below for detailed information regarding the Current Slate and the New Slate under the corresponding headings.

Current Slate

The following table sets forth the name, province or state, and country of residence, of each of the persons proposed to be nominated for election as a director of the Corporation as part of the Current Slate, the members of each committee of the Board, the present principal occupation, business or employment of each director within the preceding five years, and the number of Shares of each class of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by each proposed director.

Name and Municipality of Residence	Principal Occupations for Last Five Years	Periods during which each proposed director has served as a director of Corporation	Shares Held or Beneficially Owned as of July 12, 2024[(1)]
Robert Beasley, Pensacola, Florida	Chief Executive Officer of the Corporation and Partner at law firm of Litvak, Beasley, Wilson & Ball, LLC	January 25, 2021	667,117 Common Shares
Roger Daher[(2)(5)], Markham, Ontario	Pharmacist and owner/partner of eight pharmacies in Ontario	April 7, 2020	1,589,675 Common Shares
Mark Eckenrode[(2)], Locust Grove, Virginia	Presently retired. Previously an Advisory Engineer for Framatome, Inc.	June 30, 2021	1,286,342 Common Shares

William Smith[5], Gulf Breeze, Florida	Executive Chairman of the Corporation and President, managing member and an owner of B&C Communications, LLC, a New York limited liability company	June 30, 2021	62,615,352 Common Shares 1,421,538 Proportionate Voting Shares
John Mazarakis[2][5] Miami Beach, Florida	Founding Partner, Chicago Atlantic Group, LLC	July 17, 2023	599,264 Common Shares

Notes:

(1) Information as to shares beneficially owned, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective Directors individually.
(2) Member of the Audit Committee. Mr. Eckenrode is Chair of the Audit Committee.
(3) A holding company controlled by Roger Daher, RGDRX Holdings Inc., owns 210,000 of these Common Shares and various family members own a total of 20,000 of these Common Shares.
(4) 1,758,984 Common Shares are owned by William Smith; 19,012,622 Common Shares are owned by Sage Investing LLC; 20,288,263 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings, LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by William Smith.
(5) Member of the Governance and Compensation Committee. Mr. Daher is Chair of the Governance and Compensation Committee.

Pursuant to the terms of the Smith Transaction Agreement, Can Endeavour LLC has the right to nominate two members to the Board, one of which must initially be William Smith. Can Endeavour LLC has exercised this right to have William Smith and Mark Eckenrode included as the Current Slate nominees in this Circular.

The following are brief biographies of each of the Current Slate nominees set out above:

Robert Beasley, Director and Chief Executive Officer

Mr. Beasley was named Chief Executive Officer of the Corporation on September 29, 2020. Since 2001, he has been a partner of Litvak Beasley Wilson & Ball of Pensacola, FL. Mr. Beasley contributed to the Florida Medical Marijuana Legalization Initiative, also known as Amendment 2, in 2016 and participated in the legislative and rulemaking process relating to Florida's Compassionate Medical Cannabis Act. He has advised multiple parties in their efforts to obtain cannabis licenses and create related financing facilities. He has also participated in the design and construction of five cannabis cultivation and processing facilities and served on the Board of a leading independent cannabis physician group in Florida. Mr. Beasley holds a Bachelor of Science degree from the University of West Florida and a Juris Doctor from Vermont Law School.

Roger Daher, Director

Roger Daher has been a licensed pharmacist for 34+ years and he is currently a practicing owner/partner in six Ontario Pharmasave pharmacies. From 2010 to 2020, Mr. Daher, served as a member of the Pharmasave Ontario Board of Directors, as well as a member of the audit committee (audit committee chair). Mr. Daher has also served and continues to serve on several public company boards including CPC's. Mr. Daher obtained his Bachelor of Science, Pharmacy, from the University of Toronto in 1989.

Mark Eckenrode, Director

Mark Eckenrode is a retired nuclear engineer, having spent over 40 years in the nuclear energy space. Between 2007 and 2020, Mr. Eckenrode served as Advisory Engineer at Framatome Inc., a French nuclear

reactor business with offices in Lynchburg, VA. Prior to that, Mr. Eckenrode spent 12 years at Entergy, a U.S. energy company. Mr. Eckenrode holds a Master of Science in Nuclear Engineering and Bachelor of Science in Physics from Virginia Polytechnic Institute and State University and an MBA in Finance from Millsaps College.

John Mazarakis, Director

John Mazarakis brings over 20 years of entrepreneurial, operational, and managerial experience to Chicago Atlantic. Over the last two decades, he has launched successful companies in real estate, retail, hospitality, and food logistics compounding an initial investment of $50,000 to over $75mm in value over a period of approximately 25 years. He has built, owned, and operated 35+ restaurants with more than 1,500 employees. In addition, John has built a real estate portfolio of over 30 properties, developed over 1 million square feet of commercial real estate, and completed multiple real estate financing transactions. John bought a small distribution company with 12mm in annual sales and grew it to over 90mm in less than two years. He has invested in and served as an advisor to multiple successful startups. John's day to day involvement includes running operations and evaluating investments for Chicago Atlantic.

William Smith, Director and Executive Chairman

William M. Smith is an entrepreneur who has extensive experience in different business environments. Mr. Smith graduated from Pennsylvania State University in 1991 with a degree in Nuclear Engineering. After working as a power production engineer for five years, Mr. Smith entered the broadcasting field. While in broadcasting, he constructed, operated, and developed a small television station group, and bought and sold multiple broadcast stations or the rights to construct or use them in a variety of sizeable and complicated business transactions. In 2003, Mr. Smith sold his television holdings and moved to Florida. Since his move, Mr. Smith has diversified his investments to include ownership in a wide array of businesses, including television and radio broadcast properties, a marina, and other real estate.

New Slate

The following table sets forth the name, province or state, and country of residence, of each of the persons proposed to be nominated for election as a director of the Corporation as part of the New Slate, the present principal occupation, business or employment of each director within the preceding five years, and the number of securities of each class of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by each proposed director.

Name and Municipality of Residence	Principal Occupations for Last Five Years	Periods during which each proposed director has served as a director of the Corporation	Shares Held or Beneficially Owned as of July 12, 2024[(1)]
Robert Beasley, Pensacola, Florida	Chief Executive Officer of the Corporation and Partner at law firm of Litvak, Beasley, Wilson & Ball, LLC	January 25, 2021	667,117 Common Shares
Mark Eckenrode, Locust Grove, Virginia	Presently retired. Previously an Advisory Engineer for Framatome, Inc.	June 30, 2021	1,286,342 Common Shares
William Smith[(2)], Gulf Breeze, Florida	Executive Chairman of the Corporation and President, managing member and an owner of B&C Communications, LLC, a New York limited liability company	June 30, 2021	62,615,352 Common Shares

			1,421,538 Proportionate Voting Shares
John Mazarakis Miami Beach, Florida	Founding Partner, Chicago Atlantic Group, LLC	July 17, 2023	599,264 Common Shares
Christopher Hagedorn, Vermont, United States	January 2021 to present – Division President, ScottsMiracle-Gro and its subsidiary companies January 2017 to December 2020 – SVP, General Manager, The Hawthorne Gardening Company, a subsidiary of ScottsMiracle-Gro	N/A	Nil
Dawn Sweeney, Florida, United States	August 2022 to present – Executive Director, Association and Non-Profit Practice, Jones Lang LaSalle (JLL). May 2020 to present – Executive-In-Residence, Georgetown University's McDonough School of Business. December 2020 to present – Principal, New England Consulting Group. October 2007 to December 2019 – President and Chief Executive Officer, National Restaurant Association	N/A	Nil
Richard Mavrinac, Ontario, Canada	March 2017 to present – Director	N/A	Nil

Notes:

(1) Information as to shares beneficially owned, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective Directors individually.

(2) 1,758,984 Common Shares are owned by William Smith; 19,012,622 Common Shares are owned by Sage Investing LLC; 20,288,263 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings, LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by William Smith.

The following are brief biographies of each of the New Slate nominees that are not Current Slate nominees set out above:

Christopher Hagedorn

Mr. Hagedorn is the division president at ScottsMiracle-Gro, where he focuses on providing products and solutions to the hydroponic and indoor growing industry through its Subsidiary, The Hawthorne Gardening Company. All aspects of The Hawthorne Gardening Company business report up through Mr. Hagedorn, who has led this division since 2014. During his tenure, Mr. Hagedorn has played a key role in the acquisition of leading hydroponic brands under The Hawthorne Gardening Company, which has locations throughout North America and in the Netherlands. Prior to his role with The Hawthorne Gardening Company, Mr. Hagedorn held various positions within ScottsMiracle-Gro, ranging from marketing roles to director of indoor gardening. He has a Bachelor's degree from Bowdoin College.

Dawn Sweeney

Currently, Ms. Sweeney is serving as an Executive-In-Residence at Georgetown University's McDonough School of Business. In addition, Ms. Sweeney serves as Executive Director of the Association and Non-Profit Practice of the global real estate firm JLL and as Principal for the New England Consulting Group. Ms. Sweeney was previously the longest-serving and first woman President and CEO of the National Restaurant Association where she was responsible for advancing and protecting the United States' one

million restaurants and 15 million employees and oversaw a historic shift in the organization's governance and DE&I leadership, while more than doubling membership, employee engagement and revenues. Ms. Sweeney also led the negotiations for an equity partnership in Winsight Media, selling operational ownership of the National Restaurant Association's Show in 2018 and executing the single largest financial transaction in National Restaurant Association's hundred-year history. Ms. Sweeney also served in various roles, including as President of AARP Services, Vice President of Market Development for the National Rural Electric Cooperative Association and Vice President of Marketing of International Dairy Foods Association, where she launched the "milk mustache" advertising campaign. Ms. Sweeney is also an independent board member of SITE Centers Corp. (NYSE: SITC), where she serves on the Audit Committee and Compensation Committee. She is also Vice Chair on the board of MedStar's National Rehabilitation Hospital, where she serves as Chair of the Quality and Safety Committee. She previously served on the board of Save the Children US, where she led the Board Governance Review Committee. Ms. Sweeney has been twice named "Trade Association CEO of the Year" by two different national organizations. Ms. Sweeney is a member of the inaugural class of the Harvard Business School's "Women on Boards: Succeeding as a Corporate Director" program and is also an NACD (National Association of Corporate Directors) Certified Director (2021). Ms. Sweeney earned a Bachelor of Science in Government from Colby College and an MBA in Marketing with honors from The George Washington University.

Richard Mavrinac

Mr. Mavrinac served as the Chief Financial Officer of George Weston Limited and the Executive Vice-President of Loblaw Companies Limited, two of Canada's largest companies operating in the retail grocery and bakery sectors, from 2003 to 2007. As Chief Financial Officer of George Weston Limited, Mr. Mavrinac's experience encompassed all aspects of finance, including overall responsibility for financial reporting, treasury, risk management, pension and benefits, investor relations, taxation and acquisitions and divestitures. Mr. Mavrinac began his career with Loblaw Companies Limited in 1982 as Director of Taxation, subsequently holding a variety of financial positions within the company. In 1996, Mr. Mavrinac assumed the role of Senior Vice-President, Finance for George Weston Limited and Loblaw Companies Limited. Mr. Mavrinac is currently a member of the board of directors of Roots Corporation and formerly a member of the board of directors of TerrAscend Corp. and Gage Growth Corp. and brings experience in the retail and cannabis sectors to the RIV Board. Mr. Mavrinac received his Bachelor of Commerce degree from the University of Toronto in 1975 and began his career with Peat Marwick Mitchell Chartered Accountants after receiving his Chartered Accountant designation in 1978.

Corporate Cease Trade Orders or Bankruptcies

Other than as set out herein, to the knowledge of the Corporation, no proposed director is, as at the date of this 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 Corporation) that:

(i) was subject to a cease trade order, other similar order, or an order that denied the relevant company access to any exemption under securities legislation, and which was in effect for a period of more than 30 consecutive days, that was issued while the proposed Director was acting in the capacity as director, chief executive officer or chief financial officer; or 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; or

(ii) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) 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

(iii) has, within the 10 years before the date of this 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.

On May 9, 2022, the Ontario Securities Commission issued a management cease trade order in respect of the securities of the Corporation held by the Chief Executive Officer and Chief Financial Officer for its failure to file its annual financial statements and management's discussion and analysis for the year ended December 31, 2021 (the "**MCTO**"). On June 17, 2022, the Ontario Securities Commission lifted the MCTO.

Penalties or Sanctions

To the knowledge of the Corporation, no proposed director has:

(i) been subject to any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about voting for the election of the director.

2. Appointment and Remuneration of Auditors

At the Meeting, Shareholders will be asked to re-appoint Baker Tilly US, LLP as auditor of the Corporation, to hold office until the next annual meeting of Shareholders. Shareholders will also be asked to authorize the directors of the Corporation to fix the auditors' remuneration.

The Board unanimously recommends that Shareholders vote IN FAVOUR of appointing Baker Tilly as auditors of the Corporation and to authorize the Directors to fix their remuneration. Unless the Shareholder has specified in the enclosed form of proxy that the Shares represented by such proxy are to be voted against the resolution to appoint Baker Tilly and to authorize the Directors to fix their remuneration, the persons named in the enclosed form of proxy will vote IN FAVOUR of the approval of the resolution to appoint Baker Tilly and to authorize the Directors to fix their remuneration.

3. Amendment Proposal

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, pass a special resolution authorizing an amendment (the "**Amendment Proposal**") to the articles of the Corporation in order to: (i) create and authorize the issuance of a new class of an unlimited number of non-voting exchangeable shares in the capital of the Corporation (the "**Exchangeable Shares**"), having the rights, privileges, restrictions and conditions substantially in the form as set out in Schedule "A" to the Circular; and (ii) restate the rights of the Common Shares and Proportionate Voting Shares to include "coattail" provisions that prohibit the transfer, directly or indirectly, of any Common Shares or Proportionate Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which applicable securities

laws would have required the same offer to be made to holders of Exchangeable Shares and make certain other housekeeping changes. The Exchangeable Shares will not carry voting rights. The Exchangeable Shares will carry rights to receive dividends, will participate on the same terms as the Common Shares upon dissolution of the Corporation, and will be convertible, at the option of the holder, into Common Shares on a one for one basis. Upon creation of the Exchangeable Shares, the Corporation will have three classes of shares outstanding: the Common Shares, the Proportionate Voting Shares and the Exchangeable Shares.

Background

The Arrangement

On May 30, 2024, Cansortium entered into the Arrangement Agreement with RIV Capital, pursuant to which, among other things, Cansortium will acquire all of the issued and outstanding RIV Shares by way of a plan of arrangement (the "**Plan of Arrangement**") under Section 182 of the OBCA in exchange for 1.245 Common Shares (the "**Exchange Ratio**") for each RIV Share held (the "**Arrangement**"). If completed, the Arrangement will result in Cansortium acquiring all of the issued and outstanding RIV Shares, and RIV Capital will become a wholly-owned subsidiary of Cansortium and Cansortium will continue the operations of Cansortium and RIV Capital on a combined basis (the "**Combined Company**"). Former RIV Shareholders and former Shareholders are expected to own approximately 36.3% and 63.7%, respectively, of the Combined Company on a non-diluted basis, approximately 48.2% and 51.8%, respectively, of the issued and outstanding shares of the Combined Company, including the Exchangeable Shares and the Common Shares issuable upon conversion of the Smith Convertible Note and all other in-the-money convertible securities accounted for based on the treasury stock method, and approximately 45.88% and 54.12%, respectively, of the issued and outstanding shares of the Combined Company on a fully diluted basis, immediately following completion of the Arrangement, based on the number of RIV Shares and Common Shares (on an as-converted basis) issued and outstanding as of July 12, 2024.

The Board, having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after consultation with representatives of Cansortium's senior management, its financial and legal advisors, following receipt of the fairness opinion from Paradigm and such other matters as it considered necessary and relevant, including the factors set out below, unanimously determined that the Arrangement and entering into the Arrangement Agreement are in the best interest of Cansortium, and that the consideration payable pursuant to the Arrangement and the Exchange Ratio applicable thereto is fair, from a financial point of view, to the Shareholders.

Reasons for the Recommendation of the Board

In reaching its conclusion and formulating its unanimous recommendation, that Shareholders vote **IN FAVOUR** of the Amendment Proposal, the Board consulted with Cansortium's senior management and its legal and financial advisors and reviewed a significant amount of financial information relating to RIV Capital and Cansortium and considered a number of factors, including those listed below.

- **Positioned in Key U.S. Markets**: Following closing of the Arrangement, the Combined Company will be geographically diversified across the eastern U.S., spanning four key states (Florida, New York, Texas and Pennsylvania), positioning the Combined Company to cover approximately 25% of the U.S. population. These limited license markets in which the Combined Company is expected to hold a strong position have well-staged regulatory catalysts in the near and medium term.

- **Strong Cash Balance**: The Combined Company is expected to be well capitalized with a pro forma cash balance of approximately $74 million as of March 31, 2024. This cash balance is particularly noteworthy in the industry's currently capital scarce environment, and the Combined Company is

anticipated to deploy these funds to the opportunities within its footprint that have the highest expected return on investment.

- **Operational Efficiencies**: Cost synergy opportunities are estimated to be approximately $5-10 million annually over the next few years, which are expected to be realized from anticipated cultivation, processing and operating efficiencies and corporate integration.

- **Strategic Relationships**: The Combined Company intends to continue to bolster its strategic relationship with ScottsMiracle-Gro, which originated through its investment in RIV Capital via its wholly-owned subsidiary, The Hawthorne Collective, and through innovative growing products sold by its wholly-owned subsidiary, The Hawthorne Gardening Company.

- **Scalable Talent Base**: The Combined Company expects to have an expanded talent base through the combination of Cansortium and RIV Capital management and operating personnel.

- **Significant Operating Footprint**: On completion of the Arrangement, the Combined Company is expected to operate in four of the largest states by population in the United States – Florida, New York, Texas, and Pennsylvania – creating a strategic operating footprint with significant potential growth opportunities in the years ahead. Operations in these states will be comprised of eight cultivation and processing facilities and 42 retail dispensaries.

- **Fairness Opinion**: The Board received a verbal fairness opinion from Paradigm dated as of May 30, 2024, as to the fairness to Shareholders, from a financial point of view and as of the date of the opinion, of the consideration payable pursuant to the Arrangement and the Exchange Ratio applicable thereto, based upon and subject to the various assumptions, limitations and qualifications set forth in such opinion.

- **Support of Boards and Management Teams**: The boards of directors of both companies have unanimously recommended support for the Arrangement. Additionally, all of the directors and members of executive management of each of RIV Capital and Cansortium have entered into voting and support agreements (collectively, the "**Support Agreements**") pursuant to which they have agreed, among other things, to vote in favour of, in the case of RIV Capital, the Arrangement, and in the case of Cansortium, the Amendment Proposal. In the case of RIV Capital, the Support Agreements include a significant shareholder and relate to RIV Shares comprising approximately 20.2% of the issued and outstanding RIV Shares as of the announcement date of the Arrangement and in the case of Cansortium, the Support Agreements relate to Common Shares comprising approximately 26.8% of the issued and outstanding Shares as of the announcement date of the Arrangement.

- **Arm's Length Transaction**: The Arrangement Agreement is the result of arm's length negotiations and includes terms and conditions that are reasonable in the judgment of the Board.

- **Conduct of Cansortium's Business**: The Board believes that the restrictions imposed on Cansortium's business and operations during the pendency of the Arrangement are reasonable and not unduly burdensome.

- **Other Factors**: The Board also carefully considered the Arrangement with reference to current economics, industry and market trends affecting each of RIV Capital and Cansortium in the cannabis industry, information concerning business, operations, assets, financial condition, operations and prospects of each of RIV Capital and Cansortium, taking into account the results of Cansortium's due diligence review of RIV Capital and its operations.

The Board also considered a variety of risks and other potentially negative factors relating to the Arrangement including those matters described under the heading "*Risk Factors*" in the Corporation's annual information form dated July 12, 2024 for the fiscal year ended December 31, 2023 available under the Corporation's profile on SEDAR+ at www.sedarplus.ca, which risk factors are incorporated herein by reference. The Board believed that overall, the anticipated benefits of the Arrangement with RIV Capital outweighed these risks and negative factors.

The information and factors described above and considered by the Board in reaching its determination and recommendation is not intended to be exhaustive, but include material factors considered by the Board. In view of the wide variety of factors considered in connection with the evaluation of the Arrangement and the complexity of these matters, the Board did not find it practicable to, and therefore did not, quantify, rank or otherwise assign relative weights to these factors. In addition, individual members of the Board may have given different weight to different factors.

Conditions to the Arrangement

In addition to approval by Shareholders of the Amendment Proposal, the Arrangement is subject to approval by RIV Shareholders of the Arrangement at the annual and special meeting of RIV Shareholders on August 27, 2024 (the "**RIV Meeting**"), completion of the Hawthorne Notes Exchange, the completion of the Smith Transaction and customary closing conditions for a transaction of this nature, including the receipt of required approvals from the Ontario Superior Court of Justice (*Commercial List*), the completion of all required filings with the CSE for the listing and posting for trading of the Common Shares to be issued in connection with the Arrangement on the CSE and the receipt of all necessary regulatory approvals, upon the terms set forth in the Arrangement Agreement. If the conditions to completion of the Arrangement are satisfied in a timely manner, the Arrangement is expected to be completed in the fourth quarter of 2024; however, it is not possible to state with certainty when or if the closing of the Arrangement will occur.

For further information relating to the Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are contained in the management information circular of RIV Capital dated July 12, 2024 (the "**RIV Circular**"), which has been filed under RIV Capital's issuer profile on SEDAR+ at www.sedarplus.ca. The above summary and the summary included in the RIV Circular does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed under Cansortium's issuer profile on SEDAR+ at www.sedarplus.ca.

Hawthorne Notes Exchange

As a condition precedent to the entering into of the Arrangement Agreement, Cansortium and The Hawthorne Collective, entered into a letter agreement dated May 30, 2024, whereby the parties have agreed to enter into a notes exchange and protection agreement (the "**Exchange and Protection Agreement**") on the business day immediately prior to the closing date of the Arrangement (the "**Effective Date**"), pursuant to which, among other things, Cansortium will acquire from The Hawthorne Collective, and The Hawthorne Collective will transfer and assign to Cansortium: (i) an unsecured convertible promissory note issued by RIV Capital to The Hawthorne Collective on August 24, 2021 in the aggregate principal amount of C$188,475,000.00, convertible into RIV Shares at a conversion price of C$1.90 per RIV Share, and (ii) unsecured convertible promissory note issued by RIV Capital to The Hawthorne Collective on April 22, 2022 in the aggregate principal amount of C$31,272,501.15, convertible into RIV Shares at a conversion price of C$1.65 per RIV Share (collectively, the "**Hawthorne Notes**"), in exchange for 153,069,395 Exchangeable Shares (the "**Hawthorne Notes Exchange**"). In the event The Hawthorne Collective converts its Exchangeable Shares following the closing of the Arrangement, such conversion would result in The Hawthorne Collective owning up to 153,069,395 Common Shares (22.91% of the Combined Company on an as converted basis), as at the completion of the Arrangement.

Exchange and Protection Agreement

The following description of the Exchange and Protection Agreement is based on the draft terms and conditions of the agreement as at the date hereof and is qualified in its entirety by reference to the full text of the Exchange and Protection Agreement, which will be available under the Corporation's profile on SEDAR+ at www.sedarplus.ca upon the completion of the Arrangement.

The Exchange and Protection Agreement provides that, during the period commencing on the Effective Date until the conversion of the Exchangeable Shares (the "**Interim Period**"), except: (i) with the prior consent of The Hawthorne Collective, (ii) as expressly required or permitted by the Exchange and Protection Agreement, or (iii) as required by applicable laws, (A) Cansortium and its subsidiaries shall conduct its business in the ordinary course and in accordance with its organizational documents and all applicable laws, with the exception of the Controlled Substances Act (the "**CSA**"), as it applies to marijuana or any other United States federal cannabis laws, and (B) Cansortium shall not, and, as applicable, shall not permit any of its subsidiaries to, directly or indirectly (subject to the limitations and exceptions provided in the Exchange and Protection Agreement): (i) amend its organizational documents; (ii) declare, set aside or pay any dividend or other distribution of any kind or nature (whether in cash, stock or property or any combination thereof) in respect of any securities, other than dividends or other distributions between Cansortium and wholly-owned subsidiaries; (iii) redeem, repurchase, or otherwise acquire, or offer to redeem, repurchase or otherwise acquire, any securities of Cansortium; (iv) amend the terms of the Exchangeable Shares; (v) amend the terms of any other securities of Cansortium or any subsidiary in a way that would disproportionately and adversely impact The Hawthorne Collective in its capacity as the holder of the Exchangeable Shares, as determined by the Board, acting in good faith; (vi) reorganize, amalgamate or merge Cansortium or any subsidiary with a third-party; (vii) undertake any voluntary dissolution, liquidation or winding-up of Cansortium or any subsidiary or any other distribution of assets of Cansortium or any subsidiary for the purpose of winding-up its affairs; (viii) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of Cansortium or any of its subsidiaries; (ix) incur debt that in the aggregate exceeds a specified threshold; (x) enter into any contract containing any provision restricting, impeding or preventing The Hawthorne Collective from converting the Exchangeable Shares into Common Shares; (xi) knowingly take any action or fail to take any action which action or failure to act would result in the loss, expiration or surrender of, or the loss of any material benefit under, or could reasonably be expected to cause any governmental body to institute proceedings for the suspension, revocation or limitation of rights under, any material authorizations necessary to conduct its businesses as now conducted, or fail to prosecute any pending applications to any governmental bodies for material authorizations; (xii) take any action, or refrain from taking any action, or permitting any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the ability for The Hawthorne Collective to convert the Exchangeable Shares into Common Shares; or (xiii) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

In addition, during the Interim Period, the Exchange and Protection Agreement requires Cansortium to, among other things: (a) preserve and maintain the existence of Cansortium and its subsidiaries; (b) take all actions reasonably necessary or desirable to maintain Cansortium's and its subsidiaries' good standing and qualification to conduct business in its jurisdiction of formation and in any other jurisdiction in which it is required to be so qualified; (c) prepare and file when due all tax returns required to be filed by Cansortium and its subsidiaries, and pay or cause to be paid all taxes due on such tax returns; (d) take all reasonable steps and actions that are within its power and control to obtain and maintain all material third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are required in order to permit the conversion of the Exchangeable Shares by The Hawthorne Collective into Common Shares, in accordance with and as more particularly set out in the Exchange and Protection Agreement; (e) oppose, lift or rescind any injunction, restraining or other order, decree or ruling, and defend

or cause to be defended, any proceedings seeking to restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the ability for The Hawthorne Collective to convert the Exchangeable Shares into Common Shares; and (f) maintain, or cause to be maintained, public liability and casualty insurance, all in such form, coverages and amounts as are reasonably consistent with Cansortium's best practice. The Exchange and Protection Agreement also includes various information rights that require Cansortium to notify The Hawthorne Collective of certain specified developments and provide ongoing quarterly and annual financial information.

Pursuant to the Exchange and Protection Agreement, The Hawthorne Collective will be prohibited from converting its Exchangeable Shares into Common Shares where such conversion would result in The Hawthorne Collective, together with any person or company acting jointly or in concert with The Hawthorne Collective having an aggregate beneficial ownership of, or control or direction over, directly or indirectly, over 19.99% of the Corporation's issued and outstanding voting securities immediately after giving effect to such conversion, unless and until the Corporation has received the necessary shareholder approval (such approval, the "**Control Person Approval**") in accordance with all applicable policies of the CSE.

Hawthorne Investor Rights Agreement

In connection with the Hawthorne Notes Exchange, and as a condition precedent to the completion thereof, Cansortium has agreed to enter into an investor rights agreement (the "**Hawthorne Investor Rights Agreement**") with The Hawthorne Collective, providing for, among other things, the right of The Hawthorne Collective to nominate up to two directors (each, a "**Hawthorne Nominee**") to the Board so long as The Hawthorne Collective and its affiliates maintain certain specified beneficial ownership requirements as set forth in the Hawthorne Investor Rights Agreement (the "**Beneficial Ownership Requirement**"). Each Hawthorne Nominee must meet the qualification requirements to serve as a director under the OBCA, Canadian and United States securities laws and the applicable rules of the CSE or any other exchange on which the Common Shares are listed, and must not be an employee of, involved in the day-to-day operations of, or have a fiduciary responsibility to, a competitor of Cansortium. In the event that a Hawthorne Nominee ceases to serve as a director for any reason, The Hawthorne Collective has the right to designate a replacement Hawthorne Nominee, provided that The Hawthorne Collective remains eligible to designate a nominee and the replacement meets the qualification criteria described above.

Additionally, for so long as the Beneficial Ownership Requirement is satisfied, The Hawthorne Collective will have certain participation rights in order to maintain its pro rata equity ownership position in Cansortium in connection with any offering of Common Shares, or securities exercisable, convertible or exchangeable for Common Shares, by Cansortium, subject to certain exceptions. In addition, the Hawthorne Investor Rights Agreement will provide The Hawthorne Collective with certain other customary rights, including demand registration rights, piggyback rights and information rights. The Hawthorne Collective and its affiliates shall be subject to certain standstill restrictions for a specified time period set out in the Hawthorne Investor Rights Agreement. The Hawthorne Notes Exchange Investor Rights Agreement, and all rights of The Hawthorne Collective contained therein, will expire when The Hawthorne Collective ceases to meet the Beneficial Ownership Requirement.

The preceding description of the Hawthorne Investor Rights Agreement is based on the draft terms and conditions of the agreement as at the date hereof and is qualified in its entirety by reference to the full text of the Hawthorne Investor Rights Agreement, which will be available under the Corporation's profile on SEDAR+ at www.sedarplus.ca upon the completion of the Arrangement.

Purpose of the Creation and Exchange of the Exchangeable Shares

The Hawthorne Notes Exchange transaction structure was implemented for a variety of reasons. The Hawthorne Collective is a wholly-owned subsidiary of ScottsMiracle-Gro, a company listed on the NYSE (NYSE: SMG), which currently does not permit the listing of companies that consolidate the financial statements of companies that cultivate, distribute or possess marijuana (as defined in 21 U.S.C 802) in the United States given that cannabis is illegal under U.S. federal criminal law. As the Exchangeable Shares do not provide The Hawthorne Collective with any voting control, The Scotts Miracle-Gro, through advice of legal counsel, believes it will remain able to (i) represent that it complies with U.S. federal criminal law, particularly direct or indirect violations of the United States Controlled Substances Act (collectively, "**Applicable Federal Law**"); and (ii) ensure that (a) it does not, directly or indirectly, violate Applicable Federal Law; (b) it will not directly violate U.S. federal law as it does not cultivate, distribute, sell, or possess cannabis in the United States; (c) it does not violate indirect federal law (such as aiding and abetting, conspiracy, or Racketeer Influenced and Corrupt Organizations (RICO) Act) because it does not control or profit from companies that cultivate, distribute, sell, or possess cannabis in the United States; and (d) it does not violate anti-money laundering laws because no funds will flow from entities that cultivate, distribute, sell, or possess cannabis in the United States to it. As such, as of the current time, The Hawthorne Collective will only be able to convert its Exchangeable Shares into Common Shares following the date that the NASDAQ Stock Market or NYSE permit the listing of companies that consolidate the financial statements of companies that cultivate, distribute or possess marijuana (as defined in 21 U.S.C 802) in the United States. Exchanging the Hawthorne Notes issued by RIV Capital for Exchangeable Shares would also position Cansortium to be well-capitalized to fund highly-accretive growth opportunities, and would provide Cansortium with a strategic relationship with ScottsMiracle-Gro's and its innovative growing products and operational and research and development capabilities.

The following summarizes the terms of the Exchangeable Shares and the changes to the Common Shares and Proportionate Voting Shares, which is qualified in its entirety by reference to the full text of the proposed amended and restated share terms set forth in Schedule "A" to this Circular.

Exchangeable Shares

Voting Rights, Dividends and Dissolution

The holders of Exchangeable Shares will not be entitled to vote at meetings of the shareholders of the Corporation (except as otherwise provided or required by applicable law or an order of a court of competent jurisdiction); provided that the holders of Exchangeable Shares will, however, be entitled to receive notice of and attend any meeting of shareholders of the Corporation.

The holders of Exchangeable Shares will be entitled to receive such dividends as may be declared by the directors from time to time payable in property of the Corporation; provided that the directors simultaneously declare a dividend payable on the Common Shares in an amount equal to the amount of the dividend declared per Exchangeable Share.

In the event of the dissolution, liquidation or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of Exchangeable Shares will be entitled to participate pari passu with: (i) the holders of Proportionate Voting Shares, with the amount of such distribution per Proportionate Voting Share equal to the amount of such distribution per Exchangeable Share multiplied by ten (10), and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share; and (ii) the holders of Common Shares.

Conversion Right

The holders of Exchangeable Shares may at any time and from time to time, at the option of the holder, convert each Exchangeable Share for one Common Share by notice in writing to the Corporation's transfer agent and registrar.

Change of Control Adjustment

Upon (i) any consolidation, amalgamation, arrangement, merger, redemption, compulsory acquisition or similar transaction of or involving the Common Shares and Proportionate Voting Shares, other than a consolidation, amalgamation, arrangement, merger, redemption, compulsory acquisition or similar transaction that would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted or exchanged into voting securities of the continuing entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Corporation, the continuing entity or its parent and more than fifty percent (50%) of the total number of outstanding shares of the Corporation, the continuing entity or its parent, in each case as outstanding immediately after such transaction, and the shareholders of the Corporation immediately prior to the transaction owning voting securities of the Corporation, the continuing entity or its parent immediately following the transaction in substantially the same proportions (vis a vis each other) as such shareholders owned the voting securities of the Corporation immediately prior to the transaction or (ii) a sale or conveyance of all or substantially all the consolidated assets of the Corporation and its subsidiaries to any other body corporate, trust, partnership or other entity (each, a "**Change of Control**"), each Exchangeable Share that is outstanding on the effective date of such Change of Control will remain outstanding and, upon the exchange of such Exchangeable Share thereafter, will be entitled to receive and will accept, in lieu of the number of Common Shares that the holder thereof would have been entitled to receive prior to such effective date, the number of shares or other securities or property (including cash) that such holder would have been entitled to receive on such Change of Control, if, on the effective date of such Change of Control, the holder had been the registered holder of the number of Common Shares which it was entitled to acquire upon the exchange of the Exchangeable Share as of such date (the "**Adjusted Exchange Consideration**"). In connection with a Change of Control, the holders of Exchangeable Shares may be offered, and accept, at the option of the holder, securities of another entity that are substantially similar to the terms of the Exchangeable Shares (the "**Alternative Exchangeable Security**"), as determined by the Board, acting reasonably, using the same exchange ratio as is applicable for the Common Shares in connection with the Change of Control, to exchange each Exchangeable Share held on the effective date of the Change of Control for the Alternative Exchangeable Security instead of receiving the Adjusted Exchange Consideration.

If the Adjusted Exchange Consideration includes cash, then (a) the Corporation shall use its commercially reasonable efforts to ensure that such cash is neither derived in a manner that violates, or derived from any business or operations in violation of, the Controlled Substances Act (21 U.S.C. § 801, et seq.), and (b) the Corporation will, or will cause the other body corporate, trust, partnership or other entity resulting from or party to such Change of Control to, deposit with an escrow agent appointed by the Corporation on the closing date of the Change of Control the aggregate cash that would be payable to holders of Exchangeable Shares if all of the outstanding Exchangeable Shares were exchanged immediately prior to the Change of Control. All such funds will be held by the escrow agent in a segregated interest-bearing account for the benefit of the holders of Exchangeable Shares, and will solely be used to satisfy the cash portion of the Adjusted Exchange Consideration upon exchanges of Exchangeable Shares into Common Shares from time to time (with holders of Exchangeable Shares being entitled to any accumulated interest on the funds from the date of initial deposit to and including the business day immediately preceding the date of exchange, on a pro rata basis).

If, in connection with a Change of Control, a holder of a Common Share may elect a form of consideration (including, without limitation, shares, other securities, cash or other property) from options made available, then all holders of Exchangeable Shares will also be entitled to elect a form of consideration from the options made available to holders of Common Shares, unless elected in writing by such holder of Exchangeable Shares in accordance with the terms of the transaction and prior to any applicable election deadline. In such case, the Adjusted Exchange Consideration will equal the consideration that a holder of Common Shares making an election on the terms set forth in the preceding sentence would have received in the transaction.

Subdivision or Consolidation

No subdivision or consolidation of the Exchangeable Shares may be carried out unless, at the same time, the Common Shares and Proportionate Voting Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

Coattail Provisions

The holders of Exchangeable Shares will not be permitted to transfer, directly or indirectly, any Exchangeable Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to holders of Common Shares if the sale by the holders of Exchangeable Shares had been a sale of Common Shares rather than Exchangeable Shares (but otherwise on the same terms); provided that such restriction shall not apply to prevent a sale by any holder of Exchangeable Shares if concurrently an offer is made to purchase Common Shares under certain prescribed exceptions.

Book-Entry

The Exchangeable Shares are expected to be issued electronically in book-entry form only. While holders of Exchangeable Shares will be permitted to freely sell or transfer the Exchangeable Shares (provided the Common Shares that were converted into Exchangeable Shares were not "restricted securities," as such term is defined in Rule 144 promulgated under the United States Securities Act), the Corporation does not expect that an active or liquid trading market for the Exchangeable Shares will develop or be sustained. Please see the disclosure under the heading *"Risk Factors Relating to the Amendment Proposal*" in particular, under the heading "*The Exchangeable Shares have different rights from the Common Shares and there may never be a trading market for the Exchangeable Shares*." The Exchangeable Shares are not expected to be listed on a stock exchange or over-the-counter market.

Common Shares

Dividends and Dissolution

The holders of Common Shares will be entitled to receive such dividends payable in cash or property of the Corporation as may be declared by the directors from time to time; provided that: (i) the directors simultaneously declare a dividend payable in cash or property on the Proportionate Voting Shares in an amount per Proportionate Voting Share equal to the amount of the dividend declared per Common Share, multiplied by ten (10), and each fraction of a Proportionate Voting Share will be entitled to the applicable fraction thereof; and (ii) the directors simultaneously declare a dividend payable in cash or property on the Exchangeable Shares in an amount per Exchangeable Share equal to the amount of the dividend declared per Common Share, provided that in the case of a cash dividend declared on the Common Shares, holders

of Exchangeable Shares will instead receive such number of Exchangeable Shares as is economically equivalent to the amount of cash declared as a dividend on each Common Share.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation to its shareholders for the purposes of winding up its affairs, the holders of the Common Shares shall be entitled to participate pari passu with: (i) the holders of Proportionate Voting Shares, with the amount of such distribution per Proportionate Voting Share equal to the amount of such distribution per Common Share multiplied by ten (10), and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share; and (ii) the holders of Exchangeable Shares.

Subdivision or Consolidation

No subdivision or consolidation of the Common Shares may be carried out unless, at the same time, the Proportionate Voting Shares and Exchangeable Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

Coattail Provisions

The holders of Common Shares will not be permitted to transfer, directly or indirectly, any Common Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to holders of Exchangeable Shares if the sale by the holders of Common Shares had been a sale of Exchangeable Shares rather than Common Shares (but otherwise on the same terms); provided that such restriction shall not apply to prevent a sale by any holder of Common Shares if concurrently an offer is made to purchase Exchangeable Shares under certain prescribed exceptions.

Proportionate Voting Shares

Dividends and Dissolution

The holders of Proportionate Voting Shares will be entitled to receive such dividends payable in cash or property of the Corporation as may be declared by the directors from time to time; provided that: (i) the directors simultaneously declare a dividend payable in cash or property on the Common Shares; and (ii) the directors simultaneously declare a dividend payable in cash or property on the Exchangeable Shares, provided that in the case of a cash dividend, holders of Exchangeable Shares will instead receive such number of Exchangeable Shares as is economically equivalent to the amount of cash declared as a dividend on each Proportionate Voting Share.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation to its shareholders for the purposes of winding up its affairs, the holders of the Proportionate Voting Shares shall be entitled to participate pari passu with the holders of Common Shares and Exchangeable Shares, with the amount of such distribution per Common Share and Exchangeable Share multiplied by ten (10), and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Proportionate Voting Share.

Subdivision or Consolidation

No subdivision or consolidation of the Proportionate Voting Shares may be carried out unless, at the same time, the Common Shares and Exchangeable Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

Coattail Provisions

The holders of Proportionate Voting Shares will not be permitted to transfer, directly or indirectly, any Proportionate Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to holders of Exchangeable Shares if the sale by the holders of Proportionate Voting Shares had been a sale of Exchangeable Shares rather than Proportionate Voting Shares (but otherwise on the same terms); provided that such restriction shall not apply to prevent a sale by any holder of Proportionate Voting Shares if concurrently an offer is made to purchase Exchangeable Shares under certain prescribed exceptions.

Approval Requirements

Shareholders are not required to approve the Arrangement itself. However, approval of the Amendment Proposal is a condition to the completion of the Arrangement. If the Amendment Proposal is not approved by the requisite majority of Shareholders at the Meeting, the Exchangeable Shares will not be created and the Arrangement cannot be completed. In order for the Arrangement to proceed, the Amendment Proposal must be approved by the affirmative vote of at least $66^{2/3}\%$ of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The complete text of the special resolution which management intends to place before the Meeting approving the Amendment Proposal is as follows:

"**BE IT HEREBY RESOLVED** that:

1. Cansortium Inc. (the "**Corporation**") be and is hereby authorized to amend the articles of the Corporation (the "**Articles**") to: (i) increase the authorized share capital of the Corporation to create an unlimited number of non-voting exchangeable shares (the "**Exchangeable Shares**"), having the rights, privileges, restrictions and conditions substantially in the form as set out in Schedule "A" to the management information circular of the Corporation dated July 12, 2024; and (ii) restate the rights of the common shares (the "**Common Shares**") and proportionate voting shares (the "**Proportionate Voting Shares**") in the capital of the Corporation to include "coattail" provisions that prohibit the transfer, directly or indirectly, of any Common Shares or Proportionate Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which applicable securities laws would have required the same offer to be made to holders of Exchangeable Shares and make certain other housekeeping changes.

2. Notwithstanding that these resolutions have been duly passed, the directors of the Corporation be, and they hereby are, authorized and empowered, in their absolute discretion, to determine whether or not to proceed with the transactions contemplated in these resolutions at any time prior to giving effect thereto, without further notice to, or approval of, the shareholders of the Corporation.

3. Any director or officer of the Corporation is hereby authorized to send to the Director appointed under the *Business Corporations Act* (Ontario) the Articles of Amendment of the Corporation in its prescribed form, and any one or more directors are hereby authorized to prepare, execute and file Articles of Amendment in the prescribed form in order to give effect to this special resolution,

and to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing."

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Amendment Proposal. Unless the Shareholder has specified in the enclosed form of proxy that the Shares represented by such proxy are to be voted against the Amendment Proposal, the persons named in the enclosed form of proxy will vote IN FAVOUR of the Amendment Proposal.

Voting Support Agreements

On May 30, 2024, certain of the Corporation's directors and officers collectively holding approximately 26.8% of the issued and outstanding Common Shares and Proportionate Voting Shares entered into the Support Agreements with RIV Capital to, among other things, vote, or cause to be voted, the Common Shares, Proportionate Voting Shares and securities convertible into Common Shares beneficially owned, directly or indirectly, or controlled or directed by them, (a) in favor of the Amendment Proposal and any other matter necessary for the consummation of the Arrangement and (b) against any resolution, action, proposal, transaction or agreement proposed by any other person, that could reasonably be expected to delay, prevent, impede or frustrate the successful completion of the Arrangement and each of the transactions contemplated by the Arrangement Agreement.

Risk Factors Relating to the Amendment Proposal

In assessing the resolution approving the Amendment Proposal, Shareholders should carefully consider the risks described below. Shareholders should also carefully consider the risks described under the heading "*Risk Factors*" in the Corporation's annual information form dated July 12, 2024 for the fiscal year ended December 31, 2023 available under the Corporation's profile on SEDAR+ at www.sedarplus.ca, which risk factors are incorporated herein by reference. Readers are cautioned that such risk factors are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to the Corporation may also adversely affect the Corporation.

The Failure to Approve the Amendment Proposal could Negatively Impact the Corporation and its Future Operations, Financial Condition and Prospects.

The resolution to approve the Amendment Proposal requires approval by 66 and 2⁄3% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting. There can be no certainty, nor can the Corporation provide any assurance, that the required Shareholder approval will be obtained. If the Amendment Proposal is not approved, the Hawthorne Notes Exchange and the Arrangement with RIV Capital will not be completed. There are risks that the dedication of substantial resources by the Corporation's management to the completion of these transactions could have a negative impact on its current business relationships (including with current and prospective employees, customers, distributors, suppliers and partners) and could have a material adverse effect on the current and future business, operations, results of operations, financial condition and prospects. In addition, failure to approve the Amendment Proposal for any reason could materially and negatively impact the market price of the Common Shares.

The Exchangeable Shares have Different Rights from the Common Shares and There may Never be a Trading Market for the Exchangeable Shares.

There are important differences between the rights of the Common Shares and the Exchangeable Shares. While each Exchangeable Share is convertible into a Common Share, the Exchangeable Shares will not carry voting rights and have equivalent, but not identical, rights to receive dividends. For example, holders of Exchangeable Shares will not be able to exercise voting rights at meetings of Shareholders. The differences between the rights of holders of the Exchangeable Shares and Common Shares are significant and may materially and adversely affect the market value of your investment.

Presently, there are no plans to list the Exchangeable Shares on a securities exchange or in the over-the-counter market, and there is not expected to be a market for trading of the Exchangeable Shares. Thus, persons holding Exchangeable Shares will likely have no ability to sell their Exchangeable Shares and will likely have to exchange them for Common Shares in order to have any liquidity.

The Exchangeable Shares can only be Exchanged on Satisfaction of Certain Conditions which are Outside the Control of the Corporation and There is No Assurance that those Conditions Will Be Satisfied.

The NYSE exchange rules applicable to Scotts Miracle-Gro currently restrict its ability to have a direct or indirect investment in entities with certain cannabis operations in the United States. Due to those requirements, the Exchangeable Shares cannot currently be exchanged by The Hawthorne Collective since the exchange conditions are dependent upon changes in U.S. law and/or the aforementioned exchange rules. Accordingly, the satisfaction of those conditions is outside the control of the Corporation and there can be no assurance that the conditions will be satisfied. Accordingly, the Exchangeable Share structure could remain in place indefinitely and could have an adverse impact on, among other things, the Corporation's ability to conduct financings or change of control transactions. In addition, in certain limited circumstances, a class vote of the Exchangeable Shares could be required under applicable corporate law, which due to the terms of the Exchangeable Shares and the aforementioned exchange rules may be unobtainable.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors or Executive Officers of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any associate or affiliate of such persons, are or have been indebted to the Corporation at any time since the beginning of the Corporation's last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "Informed Person" means (a) a Director or Executive Officer of the Corporation; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than ten percent (10%) of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Corporation's financial statements for the financial year ended December 31, 2023, none of: (a) the Informed Persons of the Corporation; (b) a proposed nominee for election as a Director of the Corporation; or (c) any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transaction since the commencement

of the last financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

The Smith Transaction

On May 30, 2024, as a condition precedent to the entering into of the Arrangement Agreement, Cansortium and certain of its affiliates and William Smith, a director and the Executive Chair of Cansortium, and the Smith Group, entered into a termination agreement (the "**Smith Transaction Termination Agreement**"), which, effective upon the completion of the Arrangement, will terminate the Smith Transaction Agreement dated August 13, 2018, as amended by Amendment No. 1 to the Smith Transaction Agreement dated as of January 1, 2019, Amendment No. 2 to the Smith Transaction Agreement dated as of January 16, 2020 and Amendment No. 3 to the Smith Transaction Agreement dated as of December 21, 2022 (the "**Smith Transaction Agreement**"). The Smith Transaction Agreement provides that an aggregate of 30,250,000 Common Shares (on an as-converted basis) held by the Smith Group will be subject to a minimum price "floor" of $0.40 (the "**Floor**") until December 31, 2025 (the "**Floor Expiration Date**"), which entitles the Smith Group to an aggregate of up to $12,100,000 in the event the Smith Group elects to sell its Common Shares at a price that is below the Floor (the "**Floor Entitlement**"). Pursuant to the Smith Transaction Agreement, if on or prior to the Floor Expiration Date, the Smith Group elected to sell some or all of its Common Shares that are subject to the Floor, and the proposed purchase price of such Common Shares was less than $0.40 per Common Share, then Cansortium could either purchase all or any portion of the Common Shares proposed to be sold by the Smith Group for $0.40 per Common Share or elect to pay in cash the difference between $0.40 per Common Share and the actual sale price per Common Share received by the Smith Group in such sale.

Pursuant to the terms of the Smith Transaction Termination Agreement, upon consummation of the Arrangement, the Smith Group will no longer be entitled to the Floor Entitlement (and, in the interim, so long as the Smith Transaction Termination Agreement has not been terminated, the Smith Group have agreed not to exercise the Floor Entitlement), and in consideration thereof, on closing of the Arrangement, Cansortium will, among other things, issue to the Smith Group a 15% secured subordinate convertible note in an initial aggregate principal amount of $6,500,000 payable three years from the date of issuance (the "**Smith Convertible Note**"). Upon issuance, the Smith Convertible Note will be guaranteed by, and secured by a junior lien on substantially all assets of, Cansortium and its subsidiaries, and will be subordinated in right of payment to prior payment in full to that certain Credit Agreement dated April 21, 2021, as amended on May 30, 2024 (and any "eligible refinancing" under the Corporation's Credit Agreement) pursuant to a subordination agreement to be entered into concurrently with the issuance of the Smith Convertible Note (the "**Smith Transaction**"). The Smith Convertible Note will be convertible, at the option of the Smith Group, into Common Shares at a price of $0.21 per Common Share. Assuming full conversion of the Smith Convertible Note, including the full amount of the anticipated accrued interest over the life of the Smith Convertible Note, the Smith Group would be entitled to receive 44,880,952 Common Shares. The Smith Group currently owns or exercises control or direction over 76,830,732 Common Shares (25.41% of the current number of non-diluted Common Shares outstanding on an as-converted basis) and following the closing of the Arrangement, the Smith Group would own or exercise control or direction over approximately up to 121,711,684 Common Shares (18.02% of the pro forma company on an as-converted basis), on an as converted basis. A copy of the Smith Transaction Termination Agreement is available under Cansortium's SEDAR+ profile at www.sedarplus.ca.

Pursuant to the Smith Transaction Termination Agreement, upon the consummation of the Arrangement, Cansortium will enter into an investor rights agreement with the Smith Group (the "**Smith Investor Rights Agreement**"), which shall provide for, among other things, the Smith Group's continued right to nominate two members of the Board, subject to the terms and conditions set forth therein. The Smith Investor Rights Agreement will contain substantially similar terms as the Hawthorne Investor Rights Agreement, including

certain participation and piggyback registration rights. See "*Particulars of Matters to Be Acted Upon – Amendment Proposal – Hawthorne Investor Rights Agreement*" for further information.

The preceding description of the Smith Investor Rights Agreement is based on the draft terms and conditions of the agreement as at the date hereof and is qualified in its entirety by reference to the full text of the Smith Investor Rights Agreement, which will be available under the Corporation's profile on SEDAR+ at www.sedarplus.ca upon the completion of the Arrangement.

Consulting Fees

On January 1, 2020, the Corporation entered into a consulting agreement with Can Endeavour for the provision of financial consulting services in connection with potential new investment into the Corporation (the "**2020 Consulting Agreement**"). Pursuant to the 2020 Consulting Agreement, Can Endeavour is entitled to a fee of five (5%) percent of the total value received by the Corporation in financings during the term of the 2020 Consulting Agreement, up to a cap of $1,100,000. During the year ended 2021, the Corporation paid Can Endeavour $230,000 pursuant to the 2020 Consulting Agreement, and in April 2023 the Corporation paid the remaining $870,000 owing to Can Endeavour in connection with the private placement offering of units of the Corporation that was completed on February 28, 2023.

Shares for Debt Conversions

The Corporation completed the following shares for debt transactions during the financial year ended December 31, 2023: (i) On January 5, 2023, the Corporation issued an aggregate of 1,354,167 Common Shares at a price of $0.13 per share in settlement of accrued director's fees owing for the period of October 1, 2022 to December 31, 2022, in the aggregate amount of $162,500 (the "**Q4 2022 Fees**"); (ii) on June 2, 2023, the Corporation issued an aggregate of 2,031,250 Common Shares at a price of $0.08 per share in settlement of accrued director's fees owing for the period of January 1, 2023 to March 31, 2023, in the aggregate amount of $162,500 (the "**Q1 2023 Fees**"); and (iii) on November 10, 2023, the Corporation issued an aggregate of 1,184,207 Common Shares at a price of $0.095 per share in settlement of accrued director's fees owing for the period of July 1, 2023 to September 30, 2023, in the aggregate amount of $112,500 (the "**Q2 2023 Fees**" and together with the Q4 2022 Fees and Q1 2023 Fees, the "**Director Fees**"). The settlement of the Director Fees for Common Shares involved Informed Persons in that the following current and former directors settled amounts of their director fees: Roger Daher, John McKimm, Mark Eckenrode, John Mazarakis and William Smith, as applicable.

OTHER BUSINESS

Management of the Corporation is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

CORPORATE GOVERNANCE PRACTICES

The Board has reviewed the Corporation's current corporate governance practices with reference to the applicable provisions of National Instrument 58-101 and has compiled the following analysis:

CORPORATE GOVERNANCE GUIDELINE	CORPORATION'S PRACTICE
1. Board of Directors	

(a) Disclose the identity of Directors who are independent.	Three of the Corporation's current and proposed five Directors are independent, namely Roger Daher, Mark Eckenrode and John Mazarakis.
(b) Disclose the identity of Directors who are not independent, and describe the basis for that determination.	Two of the Corporation's current five Directors are not independent. Robert Beasley is not considered an independent director as he is CEO of the Corporation. William Smith is not considered independent as he is considered to have a material relationship with the Corporation by virtue of having been a consultant to the Corporation and also beneficially owning, directly or indirectly, or exercising control over more than 20% of the voting rights of the Corporation's Shares.
2. Board of Directors	
If a Director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Director and the other issuer.	Roger Daher: Fountain Asset Corp. (TSXV: FA) John Mazarakis: Chicago Atlantic Real Estate Finance, Inc. (REFI)
3. Orientation and Continuing Education	
Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for Directors.	New directors participate in a formal orientation program regarding the role of the Board, the Audit Committee, and its directors, and the nature and operations of the Corporation's business. Members of the Board are encouraged to communicate with management of the Corporation, external legal counsel and auditors, and other external consultants to educate themselves about the Corporation's business, the industry, and applicable legal and regulatory developments. Because of the Corporation's early stage of development, it does not currently provide continuing education to Board members and instead provides regular updates and information concerning the Corporation's business and strategy.
4. Ethical Business Conduct	
Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Corporation adopted a written code of business conduct and ethics ("**Business and Ethics Code**") for the Corporation's directors, officers and employees. The Board will monitor compliance with the Business and Ethics Code by receiving reports from management as to any actual or alleged violations, as appropriate. In accordance with the provisions of the Business and Ethics Code and applicable corporate law, any director or executive officer who holds a material interest in a proposed transaction or agreement involving the Corporation will be required to disclose that interest to the Board and abstain from voting on approval of such transactions as appropriate.
5. Nomination of Directors	
Disclose what steps, if any, are taken to Identify new candidates for Board nomination, including:	

(a) who identifies new candidates; and (b) the process of identifying new candidates.	The Board does not have a committee responsible for proposing new nominees to the Board. When new directors are considered, the entire Board acts as an ad hoc nominating committee.
6. Compensation	
Disclose what steps, if any, are taken to determine compensation for the Directors and CEO, including:	
(a) who determines the compensation; and (b) the process of determining compensation.	The Board as a whole, with assistance from the Governance and Compensation Committee, determines matters related to Director compensation and CEO compensation. If the CEO is also a Director, then when the compensation for the CEO is determined, the CEO abstains from voting.
CORPORATE GOVERNANCE GUIDELINE	**CORPORATION'S PRACTICE**
7. Other Board Committees	
If the Board has standing committees other than the audit, compensation and nominating committees, describe their function.	The Corporation has established a Governance and Compensation Committee to develop and oversee effective governance and compensation guidelines. The members of such committee are: Roger Daher (chair), William Smith and John Mazarakis.
8. Assessments	
Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees and its individual Directors are performing effectively.	The Board does not have a specific formal process for assessing the effectiveness of the Board and the individual directors. Rather, the entire Board monitors its effectiveness and the performance of individual directors. The Corporation believes that its corporate governance practices are appropriate and effective given the Corporation's developmental stage and its presently small size.

AUDIT COMMITTEE

The Corporation is required to have an Audit Committee comprising not less than three (3) Directors, a majority of whom are not officers or employees of the Corporation or of an affiliate of the Corporation. The Corporation's Audit Committee consists of three (3) Directors, being Mr. Eckenrode, Mr. Daher and Mr. Mazarakis, each of whom is "independent" and "financially literate" as such terms are defined in NI 52-110 - *Audit Committees* ("**NI 52-110**"). Mr. Eckenrode is Chairman of the Audit Committee.

Audit Committee Charter

The Board has adopted a charter for its Audit Committee, the text of which is set forth in Schedule "B" attached hereto.

Independence

NI 52-110 provides that a member of an Audit Committee is "independent" if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's Board, reasonably interfere with the exercise of the member's independent judgment. Each member of the Audit Committee is independent.

Relevant Education and Experience

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. All existing members of the Audit Committee are financially literate as such term is defined in NI 52-110. Furthermore, the relevant experience of each Audit Committee member is set forth below:

Member	Relevant Experience
Mark Eckenrode	Mr. Eckenrode holds a Master of Business Administration degree and has over 10 years experience in consulting in the mutual funds industry.
Roger Daher	From 2010 to 2020, Mr. Daher, served as a member of the Pharmasave Ontario Board of Directors, as well as a member of its audit committee as audit committee chair. Mr. Daher has also served and continues to serve on several public company boards including Capital Pool Companies.
John Mazarakis	Over the last two decades, Mr. Mazarakis has launched successful companies in real estate, retail, hospitality, and food logistics compounding an initial investment of $50,000 to over $75mm in value over a period of approximately 25 years. Mr. Mazarakis has built, owned, and operated 35+ restaurants with more than 1,500 employees. In addition, Mr. Mazarakis has built a real estate portfolio of over 30 properties, developed over 1 million square feet of commercial real estate, and completed multiple real estate financing transactions. Mr. Mazarakis bought a small distribution company with 12mm in annual sales and grew it to over 90mm in less than two years. He has invested in and served as an advisor to multiple successful startups. Mr. Mazarakis' day to day involvement includes running operations and evaluating investments for Chicago Atlantic.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the Audit Committee of the Corporation has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemption in section 2.4 (De Minimis Non-audit Services), section 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer), section 6.1.1(5) (Events Outside Control of Members), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions), but has relied on the exemption in section 6.1.1(6) (Death, Incapacity or Resignations).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

Baker Tilly was appointed as the Corporation's external auditors effective October 1, 2021. The aggregate fees paid by the Corporation and its subsidiaries for services billed by the external auditors for the last two fiscal years is set out in the table below:

	Fiscal Year 2022	**Fiscal Year 2023**
Audit Fees[(1)]	$693,371	$660,594
Audit-related fees	$-	$100,000
Tax Fees[(1)]	Nil	Nil
All other fees	Nil	Nil
Total	$693,371	$760,594

Notes:

(1) "Audit Fees" refers to the aggregate fees billed by the external auditor for audit services.

(2) "Tax Fees" includes fees for professional services rendered by the external auditor for tax compliance, tax advice and tax planning.

Exemption for Venture Issuers

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 5 (Reporting Obligations).

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.ca. The Corporation's annual management's discussion and analysis and a copy of this Circular, as applicable, is available to anyone, upon request, from the Corporation's Corporate Secretary at 5540 W. Executive Drive, Ste. 100, Tampa, Florida 33609. All financial information in respect of the Corporation is provided in the comparative financial statements and management's discussion and analysis for its recently completed financial year, as applicable.

APPROVAL OF THE BOARD OF DIRECTORS

The contents and the mailing of the Circular to Shareholders have been approved by the Board of Directors of the Corporation.

DATED the 12th day of July 2024.

BY ORDER OF THE BOARD OF DIRECTORS

"*William Smith*"

William Smith
Executive Chairman

SCHEDULE "A"

PROPOSED ARTICLES OF AMENDMENT AND PROVISIONS ATTACHING TO THE COMMON SHARES, PROPORTIONATE VOTING SHARES AND EXCHANGEABLE SHARES

The Articles of the Corporation are hereby amended as follows:

1. to increase the authorized capital of the Corporation by creating an unlimited number of exchangeable shares (the "**Exchangeable Shares**");

2. to restate the rights, privileges, restrictions and conditions attaching to the common shares in the capital of the Corporation (the "**Common Shares**") by replacing them in their entirety with the rights, privileges, restrictions and conditions set out herein;

3. to restate the rights, privileges, restrictions and conditions attaching to the proportionate voting shares in the capital of the Corporation (the "**Proportionate Voting Shares**") by replacing them in their entirety with the rights, privileges, restrictions and conditions set out herein; and

4. to provide, that after giving effect to the foregoing, the Corporation be and is hereby authorized to issue: (i) an unlimited number of Common Shares; (ii) an unlimited number of Proportionate Voting Shares; and (iii) an unlimited number of Exchangeable Shares having the following rights, privileges, restrictions and conditions:

A. COMMON SHARES

1. Voting

1.1 The holders of Common shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation except a meeting at which only the holders of another class or series of shares is entitled to vote. Each Common Share shall entitle the holder thereof to one vote at each such meeting.

2. Alteration to Rights of Common Shares

2.1 So long as any Common Shares remain outstanding, the Corporation will not, without the consent of the holders of Common Shares expressed by separate special resolution, alter or amend these Articles if the result of such alteration or amendment would:

(a) prejudice or interfere with any right or special right attached to the Common Shares; or

(b) affect the rights or special rights of the holders of Common Shares and Proportionate Voting Shares on a per share basis which differs from the basis of one (1) per share in the case of the Common Shares, and ten (10) per share in the case of the Proportionate Voting Shares.

3. Dividends

3.1. The holders of Common Shares shall be entitled to receive such dividends payable in cash or property of the Corporation as may be declared thereon by the directors from time to time. The directors may not declare a dividend payable in cash or property on the Common Shares unless: (i) the directors simultaneously declare a dividend payable in cash or property on the Proportionate Voting Shares in an amount per Proportionate Voting Share equal to the amount of the dividend declared per Common Share,

multiplied by ten (10), and each fraction of a Proportionate Voting Share will be entitled to the applicable fraction thereof; (ii) the directors simultaneously declare a dividend payable in cash or property on the Exchangeable Shares in an amount per Exchangeable Share equal to the amount of the dividend declared per Common Share; and (iii) the dividends comply with the additional requirements set out in Articles A 3.2 through A 3.4, as applicable.

3.2. The directors may declare a stock dividend payable in Common Shares on the Common Shares, but only if the directors simultaneously declare a stock dividend payable in:

(a) Proportionate Voting Shares on the Proportionate Voting Shares, in a number of shares per Proportionate Voting Share (or fraction thereof) having a value equal to the amount of the dividend declared per Common Share; or

(b) Common Shares on the Proportionate Voting Shares, in a number of shares per Proportionate Voting Share equal to the amount of the dividend declared per Common Share, multiplied by ten (10).

3.3. The directors may declare a dividend on the Common Shares, but only if the directors simultaneously declare a dividend on the Exchangeable Shares:

(a) in the case of a cash dividend declared on the Common Shares, by the issue or transfer of such number of Exchangeable Shares as is economically equivalent to the amount of cash declared as a dividend on each Common Share;

(b) in the case of a stock dividend declared on the Common Shares to be paid in Common Shares, by the issue or transfer by the Corporation of such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of Common Shares to be paid on each Common Share; or

(c) in the case of a dividend declared on the Common Shares in property other than cash or Common Shares, in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent to (to be determined by the board of directors of the Corporation acting in good faith with reference to, without limitation, the relationship between the fair market value of such property with respect to each outstanding Common Share) the type and amount of property declared as a dividend on each Common Share.

3.4. The record date for the determination of the holders of Proportionate Voting Shares and Exchangeable Shares entitled to receive payment of, and the payment date for, any dividend declared on the Proportionate Voting Shares and the Exchangeable Shares will be the same dates as the record date and payment date, respectively, for the corresponding dividend declared on the Common Shares.

4. Liquidation Rights

4.1 In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation to its shareholders for the purposes of winding up its affairs, the holders of the Common Shares shall be entitled to participate pari passu with: (i) the holders of Proportionate Voting Shares, with the amount of such distribution per Proportionate Voting Share equal to the amount of such distribution per Common Share multiplied by ten (10), and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share; and (ii) the holders of Exchangeable Shares.

5. Subdivision or Consolidation

5.1 No subdivision or consolidation of the Common Shares may be carried out unless, at the same time, the Proportionate Voting Shares and Exchangeable Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

6. Voluntary Conversion of Common Shares

6.1 Each Common Share shall be convertible at the option of the holder into such number of Proportionate Voting Shares as is determined by dividing the number of Common Shares being converted by ten (10), provided the directors have consented to such conversion.

6.2 Before any holder of Common Shares shall be entitled to voluntarily convert Common Shares into Proportionate Voting Shares in accordance with Article A 6.1, the holder shall surrender the certificate or certificates representing the Common Shares to be converted at the head office of the Corporation, or the office of any transfer agent for the Common Shares, and shall give written notice to the Corporation at its head office of his or her election to convert such Common Shares and shall state therein the name or names in which the certificate or certificates representing the Proportionate Voting Shares are to be issued (a "C**ommon Shares Conversion Notice**"). The Corporation shall (or shall cause its transfer agent to) as soon as practicable thereafter, issue to such holder or his or her nominee, a certificate or certificates or direct registration statement representing the number of Proportionate Voting Shares to which such holder is entitled upon conversion. Such conversion shall be deemed to have taken place immediately prior to the close of business on the day on which the certificate or certificates representing the Common Shares to be converted is surrendered and the Common Shares Conversion Notice is delivered, and the person or persons entitled to receive the Proportionate Voting Shares issuable upon such conversion shall be treated for all purposes as the holder or holders of record of such Proportionate Voting Shares as of such date.

7. Conversion of Common Shares Upon an Offer

7.1 In the event that an offer is made to purchase Proportionate Voting Shares, and such offer is:

(a) required, pursuant to applicable securities legislation or the rules of any stock exchange on which the Proportionate Voting Shares may then be listed, to be made to all or substantially all of the holders of Proportionate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase, an "**Offer**"); and

(b) not made to the holders of Common Shares for consideration per Common Share equal to 0.10 of the consideration offered per Proportionate Voting Share;

each Common Share shall become convertible at the option of the holder into Proportionate Voting Shares on the basis of ten (10) Common Shares for one (1) Proportionate Voting Share, at any time while the Offer is in effect until one day after the time prescribed by applicable securities legislation or stock exchange rules for the offeror to take up and pay for such shares as are to be acquired pursuant to the Offer (the "**Common Share Conversion Right**"). For avoidance of doubt, fractions of Proportionate Voting Shares may be issued in respect of any number of Common Shares in respect of which the Common Share Conversion Right is exercised which is less than ten (10).

7.2 The Common Share Conversion Right may only be exercised for the purpose of depositing the Proportionate Voting Shares acquired upon conversion under such Offer, and for no other reason. If the Common Share Conversion Right is exercised, the Corporation shall procure that the transfer agent for

the Common Shares shall deposit under such Offer the Proportionate Voting Shares acquired upon conversion, on behalf of the holder.

7.3 To exercise the Common Share Conversion Right, a holder of Common Shares or his or her attorney, duly authorized in writing, shall:

(a) give written notice of exercise of the Common Share Conversion Right to the transfer agent for the Common Shares, and of the number of Common Shares in respect of which the Common Share Conversion Right is being exercised;

(b) deliver to the transfer agent for the Common Shares any share certificate or certificates representing the Common Shares in respect of which the Common Share Conversion Right is being exercised; and

(c) pay any applicable stamp tax or similar duty on or in respect of such conversion.

7.4 No certificates representing Proportionate Voting Shares acquired upon exercise of the Common Share Conversion Right will be delivered to the holders of Common Shares. If Proportionate Voting Shares issued upon such conversion and deposited under such Offer are withdrawn by such holder, or such Offer is abandoned, withdrawn or terminated by the offeror, or such Offer expires without the offeror taking up and paying for such Proportionate Voting Shares, such Proportionate Voting Shares and any fractions thereof issued shall automatically, without further action on the part of the holder thereof, be reconverted into Common Shares on the basis of one (1) Proportionate Voting Share for ten (10) Common Shares, and the Corporation will procure that the transfer agent for the Common Shares shall send to such holder a direct registration statement, certificate or certificates representing the Common Shares acquired upon such reconversion. If the offeror under such Offer takes up and pays for the Proportionate Voting Shares acquired upon exercise of the Common Share Conversion Right, the Corporation shall procure that the transfer agent for the Common Shares shall deliver to the holders of such Proportionate Voting Shares the consideration paid for such Proportionate Voting Shares by such Offeror.

8. Coattail Provisions

8.1 Subject to Article A 8.2, the holders of Common Shares shall not transfer, directly or indirectly, any Common Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to holders of Exchangeable Shares if the sale by the holders of Common Shares had been a sale of Exchangeable Shares rather than Common Shares (but otherwise on the same terms). For the purposes of this section, it shall be assumed that the offer that would have resulted in the sale of Exchangeable Shares by the holders of Common Shares would have constituted a take-over bid under applicable securities legislation, regardless of whether this actually would have been the case, and the varying of any material term of an offer shall be deemed to constitute the making of a new offer.

8.2 Article A 8.1 shall not apply to prevent a sale by any holder of Common Shares if concurrently an offer is made to purchase Exchangeable Shares that:

(a) offers a price per Exchangeable Share at least as high as the highest price per share paid pursuant to the take-over bid for the Common Shares;

(b) provides that the percentage of outstanding Exchangeable Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Common Shares to be sold (exclusive

of Common Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

(c) has no condition attached other than the right not to take up and pay for the Exchangeable Shares tendered if no shares are purchased pursuant to the offer for the Common Shares; and

(d) is in all other material respects identical to the offer for the Common Shares.

8.3 For the purposes of this Article A 8, any sale that would result in a direct or indirect acquisition of Common Shares or Exchangeable Shares, or in the direct or indirect acquisition of control or direction over those shares, shall be construed to be a sale of those Common Shares or Exchangeable Shares, as the case may be.

B. PROPORTIONATE VOTING SHARES

1. Voting

1.1 The holders of Proportionate Voting Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation at which holders of Common Shares are entitled to vote. Subject to Article B.2, each Proportionate Voting Share shall entitle the holder to ten (10) votes and each fraction of a Proportionate Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by ten (10) and rounding the product down to the nearest whole number, at each such meeting.

2. Alteration to Rights of Proportionate Voting Shares

2.1 So long as any Proportionate Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of Proportionate Voting Shares expressed by separate special resolution alter or amend these Articles if the result of such alteration or amendment would:

(a) prejudice or interfere with any right or special right attached to the Proportionate Voting Shares; or

(b) affect the rights or special rights of the holders of Common Shares and Proportionate Voting Shares on a per share basis which differs from the basis of one (1) per share in the case of the Common Shares, and ten (10) per share in the case of the Proportionate Voting Shares.

2.2 At any meeting of holders of Proportionate Voting Shares called to consider such a separate special resolution, each Proportionate Voting Share shall entitle the holder to one (1) vote and each fraction of a Proportionate Voting Share will entitle the holder to the corresponding fraction of one (1) vote.

3. Dividends

3.1 The holders of Proportionate Voting Shares shall be entitled to receive such dividends payable in cash or property of the Corporation as may be declared by the directors from time to time. The directors may not declare a dividend payable in cash or property on the Proportionate Voting Shares unless the directors simultaneously declare a dividend payable in cash or property on the Common Shares in an amount equal to the amount of the dividend declared per Proportionate Voting Share divided by ten (10).

3.2 The directors may declare a stock dividend payable in Proportionate Voting Shares on the Proportionate Voting Shares, but only if the directors simultaneously declare a stock dividend payable in

Common Shares on the Common Shares, in a number of shares per Common Share having a value equal to the amount of the dividend declared per Proportionate Voting Share.

3.3 The directors may declare a stock dividend payable in Common Shares on the Proportionate Voting Shares, but only if the directors simultaneously declare a stock dividend payable in Common Shares on the Common Shares, in a number of shares per Common Share equal to the amount of the dividend declared per Proportionate Voting Share, divided by ten (10).

3.4 Holders of fractional Proportionate Voting Shares shall be entitled to receive any dividend declared on the Proportionate Voting Shares, in an amount equal to the dividend per Proportionate Voting Share multiplied by the fraction thereof held by such holder.

3.5 For clarity, if a dividend is required to be declared on the Common Shares pursuant to this Article B 3, it is intended that such declaration of a dividend on the Common Shares shall trigger the requirement to declare a dividend on the Exchangeable Shares in accordance with Article A 3.

4. Liquidation Rights

4.1 In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation to its shareholders for the purpose of winding up its affairs, the holders of the Proportionate Voting Shares shall be entitled to participate pari passu with the holders of Common Shares and Exchangeable Shares, with the amount of such distribution per Proportionate Voting Share equal to the amount of such distribution per Common Share and Exchangeable Share multiplied by ten (10), and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Proportionate Voting Share.

5. Subdivision or Consolidation

5.1 No subdivision or consolidation of the Proportionate Voting Shares may be carried out unless, at the same time, the Common Shares and Exchangeable Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

6. Voluntary Conversion of Common Shares

6.1 Holders of Proportionate Voting Shares shall have the following rights of conversion (the "**Proportionate Share Conversion Right**").

(a) **Right to Convert**. Each Proportionate Voting Share shall be convertible at the option of the holder into such number of Common Shares as is determined by multiplying the number of Proportionate Voting Shares in respect of which the Proportionate Share Conversion Right is exercised by ten (10). Fractions of Proportionate Voting Shares may be converted into such number of Common Shares as is determined by multiplying the fraction by ten (10).

(b) **Mechanics of Conversion**. Before any holder of Proportionate Voting Shares shall be entitled to voluntarily convert Proportionate Voting Shares into Common Shares in accordance with Article B 6.1(a), the holder shall surrender the certificate or certificates representing the Proportionate Voting Shares to be converted at the head office of the Corporation, or the office of any transfer agent for the Proportionate Voting Shares, and shall give written notice to the Corporation at its head office of his or her election to convert such Proportionate Voting Shares and shall state therein the name or names in which the certificate

or certificates representing the Common Shares are to be issued (a "**PVS Conversion Notice**"). The Corporation shall (or shall cause its transfer agent to) as soon as practicable thereafter, issue to such holder or his or her nominee, a certificate or certificates or direct registration statement representing the number of Common Shares to which such holder is entitled upon conversion. Such conversion shall be deemed to have taken place immediately prior to the close of business on the day on which the certificate or certificates representing the Proportionate Voting Shares to be converted is surrendered and the PVS Conversion Notice is delivered, and the person or persons entitled to receive the Common Shares issuable upon such conversion shall be treated for all purposes as the holder or holders of record of such Common Shares as of such date.

7. Mandatory Conversion

7.1 The directors may at any time determine by resolution (a "**Mandatory Conversion Resolution**") that it is no longer in the best interests of the Corporation that the Proportionate Voting Shares are maintained as a separate class of shares of the Corporation. If a Mandatory Conversion Resolution is adopted, then all issued and outstanding Proportionate Voting Shares will automatically, without any action on the part of the holder, be converted into Common Shares on the basis of one (1) Proportionate Voting Share for ten (10) Common Shares, and in the case of fractions of Proportionate Voting Shares, such number of Common Shares as is determined by multiplying the fraction by ten (10) as of a date to be specified in the Mandatory Conversion Resolution (the "**Mandatory Conversion Record Date**"). At least twenty (20) calendar days prior to the Mandatory Conversion Record Date, the Corporation will send, or cause its transfer agent to send, notice to all holders of Proportionate Voting Shares of the adoption of a Mandatory Conversion Resolution (a "**Mandatory Conversion Notice**") and specifying:

(a) the Mandatory Conversion Record Date;

(b) the number of Common Shares into which the Proportionate Voting Shares held by such holder are to be converted; and

(c) the address of record of such holder.

On the Mandatory Conversion Record Date, the Corporation shall issue or shall cause its transfer agent to issue to each holder of Proportionate Voting Shares certificates representing the number of Common Shares into which the Proportionate Voting Shares are converted, and each certificate representing Proportionate Voting Shares shall be null and void.

7.2 From the date of the Mandatory Conversion Resolution, the directors shall no longer be entitled to issue any further Proportionate Voting Shares whatsoever.

7.3 **Fractional Shares**. No fractional Common Shares shall be issued upon the conversion of any Proportionate Voting Shares or fractions thereof, and the number of Common Shares to be issued shall be rounded down to the nearest whole number. In the event Common Shares are converted into Proportionate Voting Shares, the number of applicable Proportionate Voting Shares shall be rounded down to two decimal places.

7.4 **Effect of Conversion**. All Proportionate Voting Shares which are converted as herein provided shall no longer be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion, except only for the right of the holders thereof to receive Common Shares in exchange therefor.

8. Transfer

8.1 Unless the directors have consented to such transfer by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or by an instrument or instruments in writing signed by all of the directors, no Proportionate Voting Share may be transferred unless such transfer:

(a) is made to (A) an initial holder of Proportionate Voting Shares, or (B) an affiliate or person controlled, directly or indirectly, by an initial holder of Proportionate Voting Shares (each, a "**Permitted Holder**"); and

(b) complies with United States securities legislation.

8.2 Any Proportionate Voting Shares sold or transferred to a Person who is not a Permitted Holder shall be automatically converted to Common Shares, unless otherwise determined by the directors.

8.3 For purposes of this Article B 8:

(a) "**affiliate**" means, with respect to any Person, any other person which is directly or indirectly through one or more intermediaries controlled by, or under common control with, such Person.

(b) A Person is "**controlled**" by another person or other persons if: (i) in the case of a corporation or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such corporation or other body corporate; or (ii) in the case of a Person that is not an individual or a corporation or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and "controls", "controlling" and "under common control with" shall be interpreted accordingly.

(c) "Person" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company.

9. Coattail Provisions

9.1 Subject to Article B 9.2, the holders of Proportionate Voting Shares shall not transfer, directly or indirectly, any Proportionate Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to holders of Exchangeable Shares if the sale by the holders of Proportionate Voting Shares had been a sale of Exchangeable Shares rather than Proportionate Voting Shares (but otherwise on the same terms). For the purposes of this section, it shall be assumed that the offer that would have resulted in the sale of Exchangeable Shares by the holders of Proportionate Voting Shares would have constituted a take-over bid under applicable securities legislation, regardless of whether this actually would have been the case, and the varying of any material term of an offer shall be deemed to constitute the making of a new offer.

9.2 Article B 9.1 shall not apply to prevent a sale by any holder of Proportionate Voting Shares if concurrently an offer is made to purchase Exchangeable Shares that:

(a) offers a price per Exchangeable Share at least as high as the highest price per share paid pursuant to the take-over bid for the Proportionate Voting Shares, divided by ten (10);

(b) provides that the percentage of outstanding Exchangeable Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Proportionate Voting Shares to be sold (exclusive of Proportionate Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

(c) has no condition attached other than the right not to take up and pay for the Exchangeable Shares tendered if no shares are purchased pursuant to the offer for the Proportionate Voting Shares; and

(d) is in all other material respects identical to the offer for the Proportionate Voting Shares.

9.3 For the purposes of this Article B 9, any sale that would result in a direct or indirect acquisition of Proportionate Voting Shares or Exchangeable Shares, or in the direct or indirect acquisition of control or direction over those shares, shall be construed to be a sale of those Proportionate Voting Shares or Exchangeable Shares, as the case may be.

C. EXCHANGEABLE SHARES

1. Voting

1.1 The holders of Exchangeable Shares shall not be entitled as such to vote at meetings of the shareholders of the Corporation except as otherwise provided by the *Business Corporations Act* (Ontario) or as required by applicable law or as required by an order of a court of competent jurisdiction; provided that the holders of Exchangeable Shares shall, however, be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation.

2. Alteration to Rights of Exchangeable Shares

2.1 So long as any Exchangeable Shares remain outstanding, the Corporation will not, without the consent of the holders of Exchangeable Shares expressed by separate special resolution, alter or amend these Articles if the result of such alteration or amendment would:

(a) prejudice or interfere with any right or special right attached to the Exchangeable Shares; or

(b) affect the rights or special rights of the holders of Exchangeable Shares and Common Shares on a per share basis.

2.2 At any meeting of holders of Exchangeable Shares called to consider such a separate special resolution, each Exchangeable Share shall entitle the holder to one (1) vote.

3. Dividends

3.1 The holders of Exchangeable Shares shall be entitled to receive such dividends as may be declared by the directors from time to time payable in property of the Corporation in accordance with this Section 3.1. The directors may not declare a dividend payable on the Exchangeable Shares unless the directors simultaneously declare a dividend payable on the Common Shares in an amount equal to the amount of the dividend declared per Exchangeable Share as follows:

(a) in the case of a stock dividend declared on the Exchangeable Shares to be paid in Exchangeable Shares, by the issue or transfer by the Corporation of such number of Common Shares for each Common Share as is equal to the number of Exchangeable Shares to be paid on each Exchangeable Share; or

(b) in the case of a dividend declared on the Exchangeable Shares in property other than cash or Exchangeable Shares, in such type and amount of property for each Common Share as is the same as or economically equivalent to (to be determined by the board of directors of the Corporation acting in good faith with reference to, without limitation, the relationship between the fair market value of such property with respect to each outstanding Exchangeable Share) the type and amount of property declared as a dividend on each Exchangeable Share.

3.2 For clarity, if a dividend is required to be declared on the Common Shares pursuant to this Article C 3, it is intended that such declaration of a dividend on the Common Shares shall trigger the requirement to declare a dividend on the Proportionate Voting Shares in accordance with Article A 3.

4. Liquidation Rights

4.1 In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purposes of winding-up its affairs, the holders of Exchangeable Shares shall be entitled to participate pari passu with: (i) the holders of Proportionate Voting Shares, with the amount of such distribution per Proportionate Voting Share equal to the amount of such distribution per Exchangeable Share multiplied by ten (10), and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share; and (ii) the holders of Common Shares.

5. Conversion Right

5.1 Each issued and outstanding Exchangeable Share may at any time, at the option of the holder, be converted for one Common Share. The conversion right may be exercised at any time and from time to time by notice in writing delivered to the person appointed by the Corporation as the transfer agent and registrar of the Common Shares, the Proportionate Voting Shares and the Exchangeable Shares (the "**Transfer Agent**") accompanied by the certificate or certificates representing the Exchangeable Shares or, if uncertificated, such other evidence of ownership as the Transfer Agent may require, in respect of which the holder wishes to exercise the right of conversion. The notice must be signed by the registered holder of the Exchangeable Shares in respect of which the right of conversion is being exercised or by his, her or its duly authorized attorney and must specify the number of Exchangeable Shares which the holder wishes to have converted. Upon receipt of the conversion notice and share certificate(s) or other evidence of ownership satisfactory to the Transfer Agent, the Corporation will cause the Transfer Agent to promptly and in any event within five (5) business days issue a share certificate or other evidence of ownership representing Common Shares on the basis set out above to the registered holder of the Exchangeable Shares. If fewer than all of the Exchangeable Shares represented by a certificate accompanying the notice are to be converted, the holder is entitled to receive a new certificate representing

the shares comprised in the original certificate which are not to be converted. Exchangeable Shares converted into Common Shares hereunder will automatically be cancelled.

6 Change of Control Adjustment

6.1 Upon: (i) any consolidation, amalgamation, arrangement, merger, redemption, compulsory acquisition or similar transaction of or involving the Common Shares and Proportionate Voting Shares, other than a consolidation, amalgamation, arrangement, merger, redemption, compulsory acquisition or similar transaction that would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted or exchanged into voting securities of the continuing entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Corporation, the continuing entity or its parent and more than fifty percent (50%) of the total number of outstanding shares of the Corporation, the continuing entity or its parent, in each case as outstanding immediately after such transaction, and the shareholders of the Corporation immediately prior to the transaction owning voting securities of the Corporation, the continuing entity or its parent immediately following the transaction in substantially the same proportions (vis a vis each other) as such shareholders owned the voting securities of the Corporation immediately prior to the transaction; or (ii) a sale or conveyance of all or substantially all the consolidated assets of the Corporation and its subsidiaries to any other body corporate, trust, partnership or other entity, (each of (i) and (ii), a "**Change of Control**"), each Exchangeable Share that is outstanding on the effective date of a Change of Control shall remain outstanding and, upon the conversion of such Exchangeable Share thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares that the holder thereof would have been entitled to receive prior to such effective date, the number of shares or other securities or property (including cash) that such holder would have been entitled to receive on such Change of Control, if, on the effective date of such Change of Control, the holder had been the registered holder of the number of Common Shares which it was entitled to acquire upon the exchange of the Exchangeable Share as of such date (the "**Adjusted Exchange Consideration**"). In connection with a Change of Control, the holders of Exchangeable Shares may be offered securities of another body corporate, trust, partnership or other entity that are substantially equivalent in all respects to the terms of the Exchangeable Shares (the "**Alternative Exchangeable Security**"), as determined by the board of directors of the Corporation, acting reasonably, using the same exchange ratio as is applicable for the Common Shares in connection with such Change of Control, to exchange each Exchangeable Share held on the effective date of the Change of Control for the Alternative Exchangeable Security instead of receiving the Adjusted Exchange Consideration. For greater certainty, unless a holder of Exchangeable Shares agrees in writing to receive the Alternative Exchangeable Securities, holders of Exchangeable Shares will be entitled to receive the Adjusted Exchange Consideration.

6.2 If the Adjusted Exchange Consideration includes cash, then: (i) the Corporation shall use its commercially reasonable efforts to ensure that such cash is neither derived in a manner that violates, or derived from any business or operations in violation of, the Controlled Substances Act (21 U.S.C. § 801, et seq.); and (ii) the Corporation shall, or shall cause the other body corporate, trust, partnership or other entity resulting from or party to such Change of Control to, deposit with an escrow agent appointed by the Corporation on the closing date of the Change of Control the aggregate cash that would be payable to holders of Exchangeable Shares if all of the outstanding Exchangeable Shares were exchanged immediately following the Change of Control. All such funds shall be held by the escrow agent in a segregated interest-bearing account for the benefit of the holders of Exchangeable Shares, and shall solely be used to satisfy the cash portion of the Adjusted Exchange Consideration upon exchanges of Exchangeable Shares from time to time (with holders of Exchangeable Shares being entitled to any accumulated interest on the funds from the date of initial deposit to and including the business day immediately preceding the date of exchange, on a pro rata basis).

6.3 If, in connection with a Change of Control, a holder of a Common Share may elect a form of consideration (including, without limitation, shares, other securities, cash or other property) from options made available, then each holder of Exchangeable Shares shall also be entitled to elect a form of consideration from the options made available to holders of Common Shares, unless otherwise elected in writing by such holder of Exchangeable Shares in accordance with the terms of the transaction and prior to any applicable election deadline. In such case, the Adjusted Exchange Consideration shall equal the consideration that a holder of Common Shares making an election on the terms set forth in the preceding sentence would have received in the transaction. After any adjustment pursuant to these terms, the term "**Common Shares**", where used above, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this section, the holder is entitled to receive upon the exchange of Exchangeable Shares, and the number of Common Shares indicated by any exchange of an Exchangeable Share shall be interpreted to mean the number of Common Shares or other property or securities the holder of the Exchangeable Share is entitled to receive upon the exchange of an Exchangeable Share as a result of such adjustment and all prior adjustments pursuant to these terms.

7 Subdivision or Consolidation

7.1 No subdivision or consolidation of the Exchangeable Shares may be carried out unless, at the same time, the Common Shares and the Proportionate Voting Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

8. Coattail Provisions

8.1 Subject to Article C 8.2, the holders of Exchangeable Shares shall not transfer, directly or indirectly, any Exchangeable Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to holders of Common Shares if the sale by the holders of Exchangeable Shares had been a sale of Common Shares rather than Exchangeable Shares (but otherwise on the same terms). For the purposes of this section, it shall be assumed that the offer that would have resulted in the sale of Common Shares by the holders of Exchangeable Shares would have constituted a take-over bid under applicable securities legislation, regardless of whether this actually would have been the case, and the varying of any material term of an offer shall be deemed to constitute the making of a new offer.

8.2 Article C 8.1 shall not apply to prevent a sale by any holder of Exchangeable Shares if concurrently an offer is made to purchase Common Shares that:

(a) offers a price per Common Share at least as high as the highest price per share paid pursuant to the take-over bid for the Exchangeable Shares;

(b) provides that the percentage of outstanding Common Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Exchangeable Shares to be sold (exclusive of Exchangeable Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

(c) has no condition attached other than the right not to take up and pay for the Common Shares tendered if no shares are purchased pursuant to the offer for the Exchangeable Shares; and

(d) is in all other material respects identical to the offer for the Exchangeable Shares.

8.3 For the purposes of this Article C 8, any sale that would result in a direct or indirect acquisition of Exchangeable Shares or Common Shares, or in the direct or indirect acquisition of control or direction over those shares, shall be construed to be a sale of those Exchangeable Shares or Common Shares, as the case may be.

SCHEDULE "B"

AUDIT COMMITTEE CHARTER CANSORTIUM INC.

Article 1 – mandate and responsibilities

The audit committee is appointed by the board of directors of the Corporation (the "**board**") to oversee the accounting and financial reporting process of the Corporation and audits of the financial statements of the Corporation. The audit committee's primary duties and responsibilities are to:

(a) recommend to the board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;

(b) recommend to the board the compensation of the external auditor;

(c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(d) pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor;

(e) review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;

(f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Corporation's financial statements, and to periodically assess the adequacy of those procedures;

(g) establish procedures for:

(ii) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

(iii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and

(h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The board and management will ensure that the audit committee has adequate funding to fulfill its duties and responsibilities.

Article 2 – pre-approval of non-audit services

The audit committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor. The pre-approval of non-audit services must be presented to the audit committee at its first scheduled meeting following such pre-approval.

The audit committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee's responsibilities to management.

Article 3 – external advisors

The audit committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The audit committee has the ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Article 4 – external auditors

The external auditors are ultimately accountable to the audit committee and the board, as representatives of the shareholders. The external auditors will report directly to the audit committee. The audit committee will:

- review the independence and performance of the external auditors and annually recommend to the board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;

- approve the fees and other significant compensation to be paid to the external auditors;

- on an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the external auditors' independence;

- review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the audit committee may have;

- before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Chartered Professional Accountants of Canada;

- consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in the Corporation's financial reporting;

- consider the external auditors' judgments regarding any alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;

- resolve any disagreements between management and the external auditors regarding financial reporting; and

- approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Corporation.

Article 5 – legal compliance

On at least an annual basis, the audit committee will review with the Corporation's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - complaints

Individuals are strongly encouraged to approach a member of the audit committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The audit committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the audit committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Corporation will not condone any retaliation for a complaint made in good faith.