

AMENDING AGREEMENT

THIS AMENDING AGREEMENT (the "**Agreement**") is made as of the 13th day of November 2019,

B E T W E E N:

CRESCO LABS INC., a corporation continued under the laws of the Province of British Columbia (the "**Purchaser**")

- and -

CANNAROYALTY CORP. D/B/A ORIGIN HOUSE, a corporation incorporated under the laws of the Province of Ontario (the "**Company**")

(Collectively, the "**Parties**").

WHEREAS the Parties entered into an arrangement agreement (the "**Arrangement Agreement**") dated as of the 1st day of April 2019, pursuant to which the Purchaser has agreed to acquire, subject to the terms and conditions of the Arrangement Agreement, all of the issued and outstanding shares of the Company pursuant to a plan of arrangement under section 182 of the *Business Corporations Act* (Ontario) (the "**Arrangement**");

AND WHEREAS, the Parties amended the Arrangement Agreement on May 12, 2019, June 5, 2019 and dated September 16, 2019;

AND WHEREAS, the Parties wish to further amend the Arrangement Agreement as set forth herein;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged by each of the Parties, the Parties hereby agree as follows:

Article 1 Amendments

1.1 The Arrangement Agreement is hereby amended by:

1.1.1 Deleting the definition of "Consideration" in Section 1.1 and replacing it with:

""**Consideration**" means 0.7031 of a Purchaser Share for each Common Share and 70.31 Purchaser Shares for each Class A Compressed Share, in each case subject to adjustments in accordance with Section 2.12; provided that if the number of Common Shares outstanding on a fully diluted basis immediately prior to the Effective Time exceeds 102,350,564, the number of Purchaser Shares for each Common Share and the number of Purchaser Shares for each Class A Compressed Share shall be modified by multiplying each such number by a fraction, the numerator of which is 102,350,564 and the denominator of which is the number of Common Shares outstanding on a fully diluted basis immediately prior to the Effective Time.""

1.1.2 Adding the following definition after the definition of "Company Options" in Section 1.1:

""**Company Supplemental Disclosure Letter**" means the disclosure letter dated November 13, 2019 delivered by the Company to the Purchaser in connection with the amending agreement to this Agreement dated November 13, 2019."

- 1.1.3 Amending the definition of "Company Material Adverse Effect" in Section 1.1 by (a) deleting "or" at the end of subsection (i) of that definition, (b) adding "or" at the end of subsection (j) of that definition, and (c) adding the following as a new subsection (k):
- ""(k) those changes, events occurrences, effects, states of facts and circumstances more particularly described in Section 1.1 of the Company Supplemental Disclosure Letter;""
- 1.1.4 Adding to the end of the definition of "Company Disclosure Letter" the following:
- "and the Company Supplemental Disclosure Letter"
- 1.1.5 Deleting the definition of "Outside Date" in Section 1.1 and replacing it with:
- ""**Outside Date**" means January 31, 2020, or such later date as may be agreed to in writing by the Parties"
- 1.1.6 Deleting the definition of "Required Approval" in Section 1.1 and replacing it with:
- ""**Required Approval**" means the shareholder approval required pursuant to Section 2.2 of the Amending Agreement between the Company and the Purchaser dated November 13, 2019."
- 1.1.7 Deleting "0.8428 Purchaser Shares" in Section 2.7 of the Arrangement Agreement and replacing it with "the Consideration payable for each Common Share";
- 1.1.8 Deleting Section 4.1(2)(d) in its entirety and replacing it with:
- "(d) except (i) as disclosed in the Company Disclosure Letter or the Company Supplemental Disclosure Letter, (ii) for the issuance of Common Shares as contemplated by Section 6.2(10), (11) or (12), or (ii) conversion, exchange or exercise of existing securities, issue, deliver, sell, pledge or otherwise encumber, or authorize the issuance, delivery, sale, pledge or other encumbrance of any shares of its capital stock or other equity or voting interests, including the capital stock of its Subsidiaries, or any options, warrants or similar rights exercisable or exchangeable for or convertible into such capital stock or other equity or voting interests, or other rights that are linked to the price or the value of Company Shares or other share capital of the Company or any Subsidiary except for (i) the issuance of Company Shares issuable upon the exercise of the currently outstanding Company Options; (ii) in connection with internal funding exclusively among the Company and its wholly-owned Subsidiaries; (iii) the issuance of Company Shares issuable in connection with the exercise of any of the outstanding Company Warrants; and (iv) the issuance of Company Shares in connection with the vesting of Company RSUs;"
- 1.1.9 Deleting "Section (f) [Capitalization]," from Section 6.2(1).
- 1.1.10 Adding the following as Section 6.2(10):
- "(10) On or after November 13, 2019 and prior to the Effective Date, the Company shall have completed a private placement of Common Shares to arm's length third parties at a price per Common Share of not less than C\$3.96 per share for aggregate proceeds, net of commissions or finder's fees, of not less than C\$39.6 million (being the Canadian dollar equivalent of US\$30 million)."
- 1.1.11 Adding the following as Section 6.2(11):

"(11) The contract described in Section 6.2(11) of the Company Supplemental Disclosure Letter shall have been entered into on substantially the terms and conditions set out in Section 6.2(11) of the Company Supplemental Disclosure Letter and otherwise on terms and conditions satisfactory to the Purchaser, acting reasonably."

1.1.12 Adding the following as Section 6.2(12):

"(12) Each of the individuals listed in Section 6.2(12) of the Company Supplemental Disclosure Letter shall have entered into retention agreements with the Company on substantially the terms and conditions set out in Section 6.2(12) of the Company Supplemental Disclosure Letter and otherwise on terms and conditions satisfactory to the Purchaser, acting reasonably."

1.1.13 Adding the following as Section 6.2(13):

(13) The capitalization table set forth in Section 6.2(13) of the Company Supplemental Disclosure Letter shall have been true and correct in all respects as of the date thereof, and the Purchaser shall have received an updated capitalization table setting forth any changes to such capitalization table as of the Effective Time which updated capitalization table shall be true and correct in all respects as of Effective Time, and the Company shall have delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Company (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.

1.2 The Plan of Arrangement is hereby amended by:

1.2.1 Deleting "0.8428" in the definition of "Consideration" in Section 1.1 and replacing it with "0.7031".

1.2.2 Deleting "0.8428" in Section 2.3(e) and replacing it with "0.7031".

1.2.3 Deleting each reference to "0.8428" in Section 2.3(e) and replacing it with "0.7031".

1.2.4 Deleting "0.8428" in Section 2.3(f) and replacing it with "0.7031".

1.2.5 Deleting "0.8428" in Section 2.3(g) and replacing it with "0.7031"; and

1.2.6 Deleting "84.28" in Section 2.3(e) and replacing it with "70.31".

Article 2 Covenants

2.1 The Company shall use commercially reasonable efforts to: (a) obtain from the Court, as soon as reasonably practicable, such amendments to the Interim Order and the Final Order, or new such orders, and such other orders of the Court as may be necessary or desirable to give effect to the amendments set forth in this Amending Agreement, (b) obtain, as soon as reasonably practicable, such approvals from the holders of Company Shares and other securities as may be necessary or desirable to give effect to the amendments set forth in this Amending Agreement, and (c) do all things and provide all such reasonable assurances as may be required to give effect to the

amendments set forth in this Amending Agreement and to consummate the transactions contemplated by the Arrangement Agreement.

- 2.2 The Purchaser shall comply with its obligations in Article 2 of the Arrangement Agreement, *mutatis mutandis*, with respect to obtaining court orders and shareholder approvals.
- 2.3 In the event that the Closing occurs on or after January 1, 2020, the Purchaser agrees to in good faith explore with the Company potential short-term funding strategies, it being understood that the decision to provide such funding and the associated terms and timing shall be at the Purchaser's discretion.

Article 3 General

- 3.1 Except for the foregoing amendments to the Arrangement Agreement and the Plan of Arrangement, as expressly contained herein, the Arrangement Agreement and Plan of Arrangement, shall in all respects remain in full force and effect.
- 3.2 On and after the date of this Amending Agreement, any reference to "this Agreement", "the Agreement", "the Arrangement Agreement" or the "Plan of Arrangement" in the Arrangement Agreement or the Plan of Arrangement, and any reference to the Arrangement Agreement or the Plan of Arrangement in any other agreements will mean the Arrangement Agreement or the Plan of Arrangement, as applicable, each as amended by this Amending Agreement.
- 3.3 This Amending Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 3.4 Each of the Parties agrees to take all actions necessary or desirable to give effect this Amending Agreement.
- 3.5 Time shall be of the essence in this Amending Agreement.
- 3.6 This Amending Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Amending Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Parties have executed this Amending Agreement as of November 13, 2019.

CRESCO LABS INC.

Per: (signed) "*Chares Bachtell*"

Name: Charles Bachtell

Title: Founder and CEO

CANNAROYALTY CORP. D/B/A ORIGIN HOUSE

Per: (signed) "*Marc Lustig*"

Name: Marc Lustig

Title: Chairman and CEO