

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY AND ANY UNDERLYING SECURITIES MUST NOT TRADE SUCH SECURITIES BEFORE DECEMBER 5, 2020.

**AMENDED AND RESTATED
8.00% SECURED CONVERTIBLE DEBENTURE DUE AUGUST 5, 2025**

CANADA HOUSE CANNABIS GROUP INC.

Debenture Certificate Number: CD-2020-001

Original Issuance Date: August 5, 2020

Amended and Restated on: July 22, 2022

Principal Amount: CDN\$6,500,000.00

CANADA HOUSE CANNABIS GROUP INC. (d/b/a CANADA HOUSE WELLNESS GROUP), a corporation existing under the *Canada Business Corporations Act* (the “**Company**”), issued on August 5, 2020 a 8.00% Secured Convertible Debenture Due August 5, 2025 (the “**Original Debenture**”) to ARCHERWILL INVESTMENTS INC. (hereinafter referred to as the “**Holder**”) in the principal amount of SIX-MILLION-FIVE-HUNDRED-THOUSAND dollars (\$6,500,000.00) (the “**Principal Amount**”) in lawful money of Canada. The Company and the Holder have agreed to amend and restate the Original Debenture in order to, *inter alia*, amend the conversion price of the Original Debenture and to amend certain other rights, privileges and conditions of the Original Debenture on the terms and conditions set forth in this Amended and Restated 8.00% Secured Convertible Debenture Due August 5, 2025 (the Original Debenture as so amended and restated herein is referred to as the “**Debenture**”).

The Company, for value received, hereby acknowledges itself indebted and promises to pay to or to the order of the Holder, the Principal Amount in lawful money of Canada in the manner hereinafter provided at the foregoing address of the Holder, or at such other place or places as the Holder may designate by notice in writing to the Company, on August 5, 2025 or such earlier date as the Principal Amount may become due and payable (the “**Maturity Date**”), and, if so required in accordance with the terms of this Debenture, to pay interest to the Holder on the Principal Amount outstanding from time to time owing hereunder to the date of payment as hereinafter provided, both before and after maturity or demand, default and judgment.

The Holder shall have the right, at its sole option, at any time, and from time to time, prior to 5:00 p.m. (Eastern time) on the Business Day (as defined herein) immediately preceding the Maturity Date to convert, for no additional consideration, all or (subject to the terms and conditions set forth below) any part of the Principal Amount then outstanding into fully paid and non-assessable Common Shares (as defined herein), at the Conversion Price (as defined herein), subject to adjustment in certain events, and, in certain circumstances provided for in this Debenture, the right to convert for no additional consideration all or (subject to the terms and conditions set forth below) any part of the accrued and unpaid interest owing under this Debenture into fully paid and non-assessable Common Shares (as defined herein), at the Conversion Price.

Unless the Holder exercises the Conversion Rights (as defined herein) attached to this Debenture, the Principal Amount owing, or the portion of the Principal Amount which has yet to be converted, together with any accrued and unpaid interest owing thereon, as well as any fees, costs, charges and expenses from time to time due and owing under this Debenture, shall be due and payable on the Maturity Date in accordance with the terms hereof. This Debenture is issued subject to the terms and conditions appended hereto as Schedule A.

IN WITNESS WHEREOF, the Company has caused this Amended and Restated Debenture to be executed by a duly authorized officer.

AMENDED AND RESTATED as of this 22nd day of July, 2022.

**CANADA HOUSE CANNABIS GROUP INC.
(d/b/a CANADA HOUSE WELLNESS GROUP)**

Per: (s) "Chris Churchill-Smith"

Name: Chris Churchill-Smith

Title: Chief Executive Officer

**SCHEDULE A -TERMS AND CONDITIONS FOR
AMENDED AND RESTATED 8.00% SECURED CONVERTIBLE DEBENTURE**

ARTICLE 1 – INTERPRETATION

Section 1.1 Defined Terms. In this Debenture, the following terms shall have the following meanings:

“**Acquisition Proposal**” means any proposal, offer, inquiry or indication of interest (written or oral) (a) relating to a merger, joint venture, partnership, exclusive license, amalgamation, consolidation, dissolution, liquidation, tender offer, take-over bid, recapitalization, reorganization, spin-off, share exchange, issuance of securities convertible into or exercisable or exchangeable for equity securities, plan of arrangement, business combination, sale, disposition, transfer or similar transaction involving the Company or any of its Subsidiaries or (b) to make an acquisition by any Person or Persons acting Jointly/In Concert with each other, that, in each of the foregoing clauses (a) and (b), if consummated, would result in any Person or Persons acting Jointly/In Concert with each other becoming the beneficial owner of, directly or indirectly, in one or a series of related transactions, of: (i) equity securities (including securities convertible into or exercisable or exchangeable for equity securities) representing 20% or more of the total voting power of the equity securities of the Company; or (ii) assets to which 50% or more of the consolidated revenues or net income of the Company is attributable, or representing 50% or more of the consolidated total assets of the Company (it being understood that assets include equity securities of Subsidiaries of the Company), in each case other than the transactions contemplated by this Debenture.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made (for purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise); provided, however, that: (a) with respect to the Company and its Subsidiaries, “Affiliate” at all times excludes any member of the Archerwill Group and any Person that directly or indirectly controls or is under common control with any member of the Archerwill Group (other than the Company and its Subsidiaries); and (b) with respect to any member of the Archerwill Group and any Person that directly or indirectly controls or is under common control with any member of the Archerwill Group, “Affiliate” at all times excludes the Company and its Subsidiaries.

“**Approvals**” has the meaning attributed thereto in Section 4.5(a).

“**Archerwill Group**” means, collectively, the Holder and its Affiliates.

“**Archerwill Repricing**” means certain amendments to the “Conversion Price” and other amendments to the Original Debenture as set out in this Debenture.

“**Board and Audit Package**” means all materials prepared for and delivered to the Company Board or the Company Audit Committee relating to the approval of the Company’s annual and quarterly financial statements and MD&A.

“**Board Observer**” has the meaning attributed thereto in Section 7.1(n).

“**Business Day**” means any day other than a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario are authorized or required by Law to close.

“**Canadian Securities Laws**” means, collectively, the applicable securities Laws of each of the provinces and territories of Canada and the respective regulations, instruments and rules made under those securities Laws, together with all applicable published policy statements, notices, blanket orders and rulings of the securities commissions or securities regulatory authorities of Canada and of each of the provinces and territories.

“**Cannabis**” has the meaning given to the term under the Cannabis Act.

“**Cannabis Accessories**” has the meaning given to the term under the Cannabis Act.

“**Cannabis Act**” means the *Cannabis Act*, S.C. 2018, c.16 as the same may be amended from time to time and includes all regulations, orders, directives and policies issued thereunder, any successor or replacement legislation, orders, directives and policies.

“**Cannabis-Related Activities**” means any activities (including advertising or promotional activities) relating to or in connection with the possession, exportation, importation, cultivation, production, processing, purchase, distribution or sale of Cannabis, Cannabis Accessories or services related to Cannabis of whatsoever nature or kind.

“**Capital Lease**” means a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with the accounting standards applicable to such lessee.

“**Cash Prepayment Amount**” has the meaning attributed thereto in Section 3.4(a).

“**Change of Control Transaction**” has the meaning attributed thereto in Section 8.1(c).

“**Chosen Court**” means the Ontario Superior Court of Justice (Commercial List).

“**Claim**” means any claim, cause of action, action, demand, lawsuit, investigation, review, grievance, citation, summons, subpoena, inquiry, audit, hearing, originating application to a tribunal, arbitration or other similar proceeding of any nature, civil, criminal, regulatory, administrative or otherwise, whether in equity or at law, in contract or in tort or otherwise.

“**Closing Date**” has the meaning ascribed to such term in the Subscription Agreement.

“**Common Share**” means any common share in the capital of the Company.

“**Common Share Reorganization**” has the meaning attributed thereto in Section 4.4(a)(i).

“**Company**” has the meaning ascribed to such term in the legend on the face of this Debenture.

“**Company Audit Committee**” means the audit committee of the Company Board.

“**Company Board**” means the board of directors of the Company.

“**Company Business**” means the business carried on by the Company on the Closing Date, consisting of the possession, exportation, importation, cultivation, production, processing, purchase, distribution and sale of Cannabis and Cannabis related products, Cannabis Accessories or services related to Cannabis, including the operation of clinics primarily for medicinal Cannabis-Related Activities and the development, sale and provision of software and services for software-as-a-service (SaaS) for medical marijuana patient management.

“Company Disclosure Letter” means the confidential disclosure letter dated July 15, 2020 delivered to the Holder by the Company delivered in connection with the Subscription Agreement.

“Company Security Agreement” means the general security agreement dated the date hereof made by the Company in favour of the Holder, as may be amended, supplemented, restated or replaced from time to time, constituting a first-priority Lien (subject to Permitted Encumbrances) over all present and future property (both real and personal) of the Company, including all shares or similar Equity Interests in which the Company has any right, title or interest.

“Company Shareholders” means the beneficial owners of Common Shares.

“Confidential Information” means any and all information about the Company or any of its Affiliates which is furnished by it or any of its Representatives to the Holder or any of its Affiliates, whenever furnished and regardless of the manner in which it is furnished, and includes all information, including information regarding the business and affairs of the Company and its Affiliates, their plans, strategies, operations, financial information (whether historical or forecasted), business methods, systems, practices, analyses, compilations, forecasts, studies, designs, processes, procedures, formulae, improvements, trade secrets and other documents and other information, prepared or furnished by the Company, an Affiliate of the Company or any of their Representatives, together with any reports, analyses, summaries, interpretations, compilations, forecasts, financial statements, memoranda, notes, studies or any other written or electronic materials prepared by or for the Holder or a Representative thereof to the extent that they contain, incorporate, reflect or are based upon or generated from such information or derivatives thereof; provided, however, that Confidential Information shall not include, and no obligation under Section 10.4 shall be imposed on, information that: (a) is or becomes generally known to the public, other than as a result of a breach of this Agreement by the Holder, its Affiliates or their respective Representatives; (b) is or becomes available to the Holder or its Affiliates, or was in the possession of the Holder or its Affiliates, on a non-confidential basis from a third party; provided, that such third party obtained such information lawfully and is not and was not prohibited from disclosing such information; or (c) is independently developed by the Holder or its Affiliates without reference to or use of the Confidential Information of the Company.

“Consolidation” means the consolidation of the Common Shares at a ratio of up to 30:1, as approved by the Company Shareholders on December 18, 2020.

“Conversion Notice” has the meaning attributed thereto in Section 4.3.

“Conversion Price” means the lesser of: (a) the equivalent of \$0.03 per Common Share immediately prior to the Consolidation, adjusted for the ratio applied in the Consolidation; and (b) the volume weighted average trading price of the Common Shares on the Exchange for the first 20 trading days following the resumption of trading of the Common Shares on the Exchange, subject to a minimum conversion price of the equivalent of \$0.0166 per Common Share immediately prior to the Consolidation, adjusted for the ratio applied in the Consolidation (and rounded to the nearest whole cent); subject in each case to adjustment in accordance with the provisions of Section 4.4, in which case it shall mean the adjusted price in effect at such time after such adjustment.

“Conversion Right” has the meaning attributed thereto in Section 4.1.

“Convertible Securities” means securities issued by the Company that are convertible into or exercisable or exchangeable for Common Shares.

“Debenture” means this secured convertible debenture.

“**Designated Event**” has the meaning attributed thereto in Section 8.1(a).

“**Effective Date**” means the date on which all conditions precedent set out in Section 2.1 are satisfied or waived.

“**Equity Interests**” of a Person means any pre-emptive or other outstanding rights, options, warrants, units, restricted stock or shares, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, understanding commitments or rights of any kind.

“**Event of Default**” has the meaning attributed thereto in Section 11.1(a).

“**Exercise Notice**” has the meaning attributed thereto in Section 9.1(d).

“**Exchange**” means the Canadian Securities Exchange, or any successor entity thereto or if the Common Shares are no longer listed, traded or quoted thereon, any other securities exchange or quotation system on which the Common Shares are listed, traded or quoted.

“**Governmental Authority**” means any Canadian, U.S., non-U.S., non-Canadian or supranational government or governmental (including public international organizations), quasi-governmental, regulatory or self-regulatory authority (including any stock exchange or other self-regulatory organization), agency, commission, body, department or instrumentality or any court, tribunal or arbitrator or other entity or subdivision thereof or other legislative, executive, administrative or judicial entity or subdivision thereof, in each case of competent jurisdiction.

“**ICM Noteholders**” means, collectively, the holders of the ICM Notes.

“**ICM Notes**” means, collectively, the outstanding 5% promissory notes of the Company due June 12, 2023 issued to Gestion-R RB50 Inc., Gestion Eric Bertacchini Inc. and Gestion Eric Bouvier Inc.

“**ICM Note Tolerance and Forbearance Agreements**” means, collectively, the agreements dated the date hereof between the Company and each of the ICM Noteholders providing for extensions to the maturity date of the ICM Notes and providing for forbearance in respect of certain obligations under the ICM Notes.

“**Incentive Security**” means an option or other security of the Company convertible or exercisable into or exchangeable for Common Shares granted pursuant to any Share Incentive Plan.

“**Indebtedness**” has the meaning attributed thereto in Section 11.1(a)(x).

“**Independent**” means an individual that: (a) is “independent” under sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* and (b) is not a director, officer or other employee of the Holder or any of its Affiliates.

“**Independent Committee**” means a committee of the Company Board comprised solely of directors who are Independent.

“**Interest Conversion Right**” has the meaning attributed thereto in Section 4.2(a).

“**IsoCanMed**” means IsoCanMed Inc., a corporation amalgamated under the laws of Canada.

“**IsoCanMed Promissory Notes**” means the promissory notes issued on May 29, 2020 by IsoCanMed in the aggregate amount of \$12,500,000.

“**Issue Date**” has the meaning attributed thereto in Section 4.3.

“**Investor Rights Agreement**” means the Investor Rights Agreement dated August 5, 2020 between the Company and the Holder.

“**Jointly/In Concert**” has the meaning ascribed to the term “jointly or in concert” in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, with necessary modifications where the term is used in the context of a transaction that is not a take-over bid or issuer bid.

“**Law**” means any Canadian, U.S., non-U.S., non-Canadian, federal, provincial, state, territorial, local, municipal or other law, statute, constitution, principle of common law, ordinance, code, standard, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority or any Order.

“**Lien**” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest, assignment, encumbrance, lien (statutory or otherwise), any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property of such Person, or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

“**Lind Partners Loan**” means the convertible security funding agreement dated September 10, 2019 between the Company and Lind Global Macro Fund, LP for the issue of up to \$14,587,500 aggregate principal amount of 8.00% convertible secured debentures of the Company.

“**Market Price**” of the Common Shares means, at any date, the market price of the Common Shares determined in accordance with section 1.11 of National Instrument 62-104 – *Takeover Bids and Issuer Bids*.

“**Material Adverse Change**” means any change, effect, development, event, occurrence, circumstance, state of facts or violation that, individually or in the aggregate, is or is reasonably likely to have a Material Adverse Effect.

“**Material Adverse Effect**” means the effect resulting from, following the date hereof, any change, event, violation, inaccuracy or circumstance that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, prospects, financial condition, or results of operations of the Company and the Subsidiaries, taken as a whole.

“**Material Lease**” means any lease of the properties or assets of the Company or any of its Subsidiaries that is material to the business, financial condition, results or operations of the Company or any of its Subsidiaries, which shall include the Company’s indoor production facility located in Pickering, Ontario and any other lease whose operations contributes 10% or more of the Company’s revenue or production, as applicable, on a consolidated basis for the most recently completed financial reporting period then ended.

“**Material Subsidiary**” means (a) a Subsidiary whose total assets (consolidated in the case of a Subsidiary which itself has subsidiaries) or gross revenues (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 10% of the consolidated total assets or, as the case may be, consolidated gross revenues of the Company, in each case net of minority interests, and (b) any Subsidiary not included in clause (a) of this definition which the Company designates, by written notice to the Holder, to be a Material Subsidiary.

“**Maturity Date**” has the meaning attributed thereto in Section 3.1.

“MC” means Montréal Cannabis Médical Inc. d.b.a. MTL Cannabis.

“MD&A” has the meaning ascribed to such term in Section 10.1.

“**Medical Cannabis-Related Activities**” means any Cannabis-Related Activities conducted solely for medical purposes.

“**Non-Medical Cannabis Jurisdiction**” means any country in which it is legal in all political subdivisions therein (including for greater certainty on a federal, provincial, state, territorial and municipal basis) to undertake Non-Medical Cannabis-Related Activities. Uruguay and Canada are the sole Non-Medical Cannabis Jurisdictions as at the date of this Debenture.

“**Non-Medical Cannabis-Related Activities**” means Cannabis-Related Activities other than Medical Cannabis-Related Activities.

“**Obligations**” means (a) all monies now or at any time and from time to time hereafter owing or payable by the Company to the Holder and all obligations (whether now existing, presently arising or created in the future) of the Company in favour of the Holder, and whether direct or indirect, absolute or contingent, matured or not, whether arising from agreement or dealings between the Holder and the Company or from any agreement or dealings with any other Person by which the Holder may be or become in any manner whatsoever a creditor or other obligee of the Company or however otherwise arising and whether the Company is bound alone or with another or others and whether as principal or surety, including monies payable or obligations arising in connection with this Debenture or any other Security Document, (b) all expenses, costs and charges incurred by or on behalf of the Holder in connection with this Debenture or any other Security Document, and (c) the strict performance and observance by the Company of all agreements, warranties, representations, covenants and conditions of the Company made pursuant to this Debenture or any other Security Document.

“**Order**” means any order, award, judgment, injunction, writ, decree (including any consent decree or similar agreed order or judgment), directive, settlement, stipulation, ruling, determination, decision or verdict, whether civil, criminal or administrative, in each case, that is entered, issued, made or rendered by any Governmental Authority.

“**Ordinary Course of Business**” means the conduct by the Company of the Company Business in accordance with the Company’s normal day-to-day operations, customs, practices and procedures and, for the avoidance of doubt, no action taken to specifically respond to COVID-19 shall constitute the “Ordinary Course of Business”.

“**Original Percentage**” means, when used in connection with a Triggering Event, the quotient, expressed as a percentage, obtained when (a) the aggregate number of Common Shares beneficially owned by the Archerwill Group is *divided* by (b) the aggregate number of issued and outstanding Common Shares, in each case, immediately prior to such Triggering Event; provided, for purposes of clause (b), such number shall exclude outstanding Common Shares resulting from any issuance with respect to which (i) the Holder had the Pre-Emptive Right and (ii) (A) the period for exercise thereof shall not have expired or (B) to the extent the Holder shall have exercised such Pre-Emptive Right, the closing of such sale shall not have occurred, in each case, as of immediately prior to such Triggering Event; provided, further, that the calculation of both clause (a) and clause (b) shall be made on a partially-diluted basis with respect to the Holder’s holdings of this Debenture (including any and all accrued and unpaid interest thereon) and the Warrants and shall include Common Shares underlying this Debenture to the extent unexercised (including any and all accrued and unpaid interest thereon) and Warrants, but shall not include Common Shares underlying unexercised Convertible Securities, other than this Debenture and the Warrants.

“Ownership Threshold” means the ownership by the Holder of Common Shares plus securities of the Company that are convertible into or exercisable for Common Shares, including pursuant to this Debenture and the Warrants from time to time, that, if converted and/or exercised, would total such an amount of Common Shares that is equal to not less than 5.00% of the issued and outstanding Common Shares on a partially-diluted basis with respect to the Holder’s holdings of this Debenture (including any and all accrued and unpaid interest thereon) and the Warrants and shall include Common Shares underlying this Debenture to the extent unexercised (including any and all accrued and unpaid interest thereon) and Warrants, but shall not include Common Shares underlying unexercised Convertible Securities, other than this Debenture and the Warrants.

“Permitted Encumbrances” has the meaning ascribed to such term in Section 7.2(c).

“Permitted Indebtedness” means, in respect of the Company or any of the Subsidiaries, the following:

- (a) any indebtedness owing as disclosed in Section 1.1(c) of the Company Disclosure Letter;
- (b) any indebtedness owing hereunder or under the Security Documents;
- (c) trade payables incurred in the Ordinary Course of Business;
- (d) any indebtedness owing to:
 - (i) the Company by any of the Subsidiaries; and
 - (ii) any of the Subsidiaries by the Company;
- (e) indebtedness, at any time not to exceed \$6,000,000 in the aggregate (not including amounts owing on the IsoCanMed Promissory Notes), incurred by IsoCanMed;
- (f) the IsoCanMed Promissory Notes; and
- (g) Permitted Subordinated Indebtedness.

“Permitted Subordinated Indebtedness” means any and all other indebtedness, not including Permitted Indebtedness, incurred or assumed by the Company or any of its Subsidiaries owing at any time after the Closing Date in respect of which all obligations of payment and performance, together with all security interests or collateral granted as security for payment and performance, are fully postponed and subordinated to the indebtedness owed to and security held by the Holder.

“Person” means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, association, joint-stock company, estate, trust, organization, Governmental Authority or other entity of any kind or nature.

“Per Share Cost” has the meaning attributed thereto in Section 4.4(a)(ii).

“Pre-emptive Right” means the right of the Holder to purchase the Pre-emptive Right Securities from the Company in accordance with Article 9 –.

“Pre-emptive Right Closing” means the closing from time to time of the issue of the Pre-emptive Right Securities under the Pre-emptive Right.

“**Pre-emptive Right Securities**” has the meaning ascribed to such term in Section 9.1(a).

“**Prepayment Date**” has the meaning attributed thereto in Section 3.4.

“**Prepayment Notice**” has the meaning attributed thereto in Section 3.4.

“**Prepayment Right**” has the meaning attributed thereto in Section 3.4.

“**Prepayment Warrants**” has the meaning attributed thereto in Section 3.4(b).

“**Proposed Transaction**” means the transactions contemplated by the SEA, as may be amended from time to time, pursuant to which the Company would acquire all of the issued and outstanding shares of MC from the Vendors.

“**Representatives**” means, with respect to any Person, any director, principal, partner, manager, member (if such Person is a member-managed limited liability company or similar entity), employee (including any officer), consultant, investment banker, financial advisor, legal counsel, attorney-in-fact, accountant or other advisor, agent or other representative of such Person, in each case acting in their capacity as such.

“**Restated SEA**” means the restated share exchange agreement dated the date hereof among, *inter alia*, the Company, MC and the Vendors.

“**Right**” means a right granted by the Company *pro rata* to all of the Company Shareholders to purchase additional Common Shares and/or other securities of the Company.

“**Rights Offering**” has the meaning attributed thereto in Section 4.4(a)(ii).

“**Rights Offering Securities**” has the meaning attributed thereto in Section 4.4(a)(ii).

“**Rights Period**” has the meaning attributed thereto in Section 4.4(a)(ii).

“**SEA**” means the share exchange agreement dated August 9, 2021 among, *inter alia*, the Company, MC and the Vendors.

“**Security Documents**” means, collectively, (i) this Debenture, (ii) the Company Security Agreement, (iii) the Subsidiary Security Agreements, (iv) the Subsidiary Guarantees, and (v) all other agreements, hypothecs and other instruments delivered to the Holder by the Company (whether now existing or presently arising) for the purpose of establishing, perfecting, preserving or protecting any security held by the Holder in respect of any Obligations.

“**Share Incentive Plan**” means any plan of the Company in effect from time to time pursuant to which Common Shares may be issued, or options or other securities convertible or exercisable into or exchangeable for Common Shares may be granted, to directors, officers, employees, and/or consultants, of the Company and/or its Subsidiaries, including, for greater certainty, the Company’s amended and restated stock option plan dated April 2, 2015, as amended.

“**Special Option**” means an option or other security granted by the Company which is convertible or exercisable into or exchangeable for Common Shares for nominal or indeterminate consideration, and includes an over-allotment option or similar option granted to one or more underwriters in connection with

a public offering of securities of the Company, but excludes (a) any Incentive Security, (b) any Right, and (c) the Pre-emptive Right.

“**Subordination Agreement**” means the subordination agreement dated the date hereof among the Holder, the holders of the IsoCanMed Promissory Notes and the Company, as may be amended, supplemented, restated or replaced from time to time, subordinating the Holder’s security interest over the IsoCanMed assets to the security interest of the holders of the IsoCanMed Promissory Notes.

“**Subscription Agreement**” means the subscription agreement dated July 15, 2020 between the Company and the Holder.

“**Subsidiary**” means, with respect to any Person, any other Person of which at least a majority of (a) the securities or ownership interests of such other Person having by their terms ordinary voting power to elect a majority of the board of directors or other individuals performing similar functions or (b) the equity or ownership interests of such other Person, in each case, is directly or indirectly owned or controlled by such first Person and/or by one or more of its Subsidiaries.

“**Subsidiary Guarantees**” means the guarantees dated the date hereof, and at any time hereafter, guaranteeing the Obligations hereunder made by any Subsidiary in favour of the Holder, as may be amended, supplemented, restated or replaced from time to time.

“**Subsidiary Guarantors**” means Abba Medix Corp., Canada House Clinics Inc., 690050 NB Inc. (d/b/a Knalysis Technologies Inc.) and IsoCanMed Inc., and each other Subsidiary party from time to time to a Subsidiary Guarantee.

“**Subsidiary Security Agreements**” means the mortgages, hypothecs and any other security agreements made by any of the Subsidiary Guarantors in favour of the Holder, as set forth in Schedule B, as may be amended, supplemented, restated or replaced from time to time, constituting a first-priority Lien (subject to Permitted Encumbrances) over all present and future property (both real and personal) of each Subsidiary Guarantor, including all shares or similar Equity Interests in which each Subsidiary Guarantor has any right, title or interest.

“**Successor Entity**” has the meaning attributed thereto in Section 8.1(c).

“**Taxes**” means any and all foreign, Canadian or United States federal, provincial, state, local, and other taxes, levies, fees, imposts, duties, and similar governmental charges (including any interest, fines, assessments, penalties or additions to tax imposed in connection therewith or with respect thereto) including those imposed on, measured by, or computed with respect to income, franchise, profits or gross receipts, alternative or add-on minimum, margin, ad valorem, value added, capital gains, sales, harmonized sales, goods and services, use, employer health, real or personal property, land, land transfer, escheat or unclaimed property taxes (or similar), environmental, capital stock, license, branch, payroll, estimated, withholding, employment, social security (or similar), insurance, disability, workers compensation, employment/unemployment insurance, compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes, registrations, net worth, and customs duties, surtaxes, and health insurance and government pension plan premiums or contributions, whether disputed or not.

“**Termination Agreement**” means the termination agreement dated the date hereof between the Company and the Holder relating to the termination of the Investor Rights Agreement.

“**trading day**” means a day on which the Exchange is open for trading (or if the Company’s Common Shares are not then listed on the Exchange, such other recognized stock exchange or quotation system on which the Common Shares may trade or be quoted).

“**Tranche One Closing**” means the closing of the first tranche of the Proposed Transaction, which will result in the acquisition by the Company of approximately 24.99% of the issued and outstanding shares of MC.

“**Transaction Documents**” has the meaning ascribed to such term in the Subscription Agreement, excluding this Debenture.

“**Triggering Event**” means the issue of any equity securities of the Company or Convertible Securities, whether by way of public offering or private placement, but excludes any issue of Common Shares: (a) on exercise, conversion or exchange of any Convertible Securities existing on the date of Closing, which for greater certainty shall include this Debenture and the Warrants; (b) pursuant to (or pursuant to the exercise, conversion or exchange of any security issued pursuant to any Share Incentive Plan; (c) on any conversion or exercise of Convertible Securities provided that such Convertible Securities were subject to the Pre-emptive Right or a previous Triggering Event; (d) on any exercise of the Pre-emptive Right; (e) pursuant to Section 3.4 hereof; and (f) pursuant to Section 6 of the Warrant Certificate.

“**Triggering Event Closing Date**” means the date on which a Triggering Event occurs.

“**Triggering Event Notice**” has the meaning ascribed to such term in Section 9.1(c).

“**Triggering Event Price**” means, in respect of an issue of Common Shares for cash consideration pursuant to a Triggering Event, the purchase price per Common Share to be paid for such Common Share by the purchasers thereof and means, in respect of an issue of Common Shares for consideration other than cash consideration pursuant to a Triggering Event, the price per Common Share, as determined by an Independent Committee (acting reasonably and in good faith), that would have been received by the Company or its applicable Subsidiary had such Common Shares been issued for cash consideration.

“**Unrestricted Subsidiary**” means, at any time, any Subsidiary that is not a Subsidiary Guarantor. On the date hereof, the Unrestricted Subsidiaries are 2104071 Alberta Inc. and IsoCanMed R&D Inc.

“**Vendors**” means the shareholders of MC.

“**Warrant Certificate**” means the warrant certificate dated as of August 5, 2020 between the Company and the Holder, as the same may be amended, modified, supplemented or replaced.

“**Warrants**” means the warrants represented by the Warrant Certificate.

Section 1.2 Other Terms; Interpretation and Construction

(a) Unless otherwise specified herein, all Preamble, Section, clause and Schedule references used in this Debenture are to the preamble, sections, clauses and schedules to this Debenture.

(b) Unless the context otherwise requires, for purposes of this Debenture: (i) if a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb); (ii) the terms defined in the singular shall have a comparable meaning when used in the plural and vice versa; (iii) words importing the masculine gender shall include the feminine and neutral genders and vice versa; (iv) whenever the words “includes” or “including” are used, they shall be

deemed to be followed by the words “without limitation”; and (v) the words “hereto,” “hereof,” “hereby,” “herein,” “hereunder” and similar terms in this Debenture shall refer to this Debenture as a whole and not any particular provision of this Debenture.

(c) Except as otherwise specifically provided herein or the context otherwise requires, the term “dollars” and the symbol “\$” mean Canadian dollars and all amounts in Debenture shall be paid in Canadian dollars, and in the event any amounts, costs, fees or expenses incurred by the Company or the Holder pursuant to this Debenture are denominated in a currency other than Canadian dollars, to the extent applicable, the Canadian dollar equivalent for such costs, fees and expenses shall be determined by converting such other currency to Canadian dollars at the foreign exchange rates published by the Bank of Canada or, if not reported thereby, another authoritative source reasonably determined by the Company, in effect at the time such amount, cost, fee or expense is incurred, and in the event the resulting conversion yields a number that extends beyond two decimal points, rounded to the nearest penny.

(d) Except as otherwise specifically provided herein, when calculating the period of time within which, or following which, any action is to be taken pursuant to this Debenture, the date that is the reference day in calculating such period shall be excluded and if the last day of the period is a non-Business Day, the period in question shall end on the next Business Day or if any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. References to a number of days shall refer to calendar days unless Business Days are specified.

(e) The Company and the Holder have jointly negotiated and drafted this Debenture, and if an ambiguity or a question of intent or interpretation arises, this Debenture shall be construed as if drafted jointly by the Company and the Holder, and no presumption or burden of proof shall arise favoring or disfavoring the Company or the Holder by virtue of the authorship of any provision of this Debenture.

ARTICLE 2 – CONDITIONS PRECEDENT

Section 2.1 Conditions Precedent. Subject to Section 2.2, this Debenture, including the amendments contained herein, shall be effective upon, and shall be subject to, the satisfaction or waiver of the following conditions precedent:

(a) the entering into of the Restated SEA, the ICM Note Tolerance and Forbearance Agreements and the Termination Agreement by the parties thereto as of the date hereof;

(b) each of the Restated SEA, the ICM Note Tolerance and Forbearance Agreements and this Debenture becoming effective concurrently;

(c) evidence satisfactory to the Holder of the approval of the Company’s shareholders with respect to the Archerwill Repricing at the Meeting of Security Holders currently scheduled to be held on August 23, 2022;

(d) evidence satisfactory to the Holder that the Consolidation has been implemented;

(e) receipt of any necessary regulatory approval for the amendments contained in this Debenture and the Warrants, including approval by any stock exchange (including the Canadian Securities Exchange);

(f) the Tranche One Closing in accordance with the terms of the SEA; and

(g) the delivery of a bring-down certificate from the Company dated as of the Effective Date, in form and substance reasonably satisfactory to the Holder, stating that the representations and warranties of the Company set forth in Section 6.1 are true and correct in all respects (other than *de minimis* inaccuracies) as of the Effective Date as though made on and as of the Effective Date.

Section 2.2 Condition Precedent for Amendments to “Conversion Price”. Upon, and subject to, the satisfaction or waiver of the conditions precedent set out in Section 2.1(c), Section 2.1(d) and Section 2.1(e), the Conversion Price of this Debenture will be amended to the equivalent of \$0.03 per Common Share immediately prior to the Consolidation, adjusted for the ratio applied in the Consolidation. For greater certainty, it is acknowledged and agreed by the Company and the Holder that the other amendments contained in this Debenture shall not be effective upon such date, and shall remain subject to the satisfaction or waiver of all conditions precedent set out in Section 2.1, including, in particular, Section 2.1(f). In the event that the Restated SEA is terminated prior to the Tranche One Closing having occurred and, at such time, all other conditions precedent set out in Section 2.1 have been satisfied or waived, the Company and the Holder agree to amend and restate this Debenture to reflect only the above stated amendment to the definition of “Conversion Price” in Section 1.1.

ARTICLE 3 – PAYMENT OF PRINCIPAL, INTEREST AND OTHER CONSIDERATIONS

Section 3.1 Repayment of Principal. Subject to the terms and conditions hereof, the outstanding Principal Amount, together with all accrued and unpaid interest owing thereon, as well as any fees, costs, charges and expenses from time to time due and owing under this Debenture, if any, shall be repaid by the Company to the Holder on August 5, 2025 or such earlier date as the Principal Amount may become due and payable (the “**Maturity Date**”).

Section 3.2 Interest.

(a) Except as otherwise provided herein, the aggregate unconverted and outstanding Principal Amount shall bear interest at a rate of 8.00% per annum from and after the date hereof, to, but excluding, the Maturity Date, compounded annually. Interest shall accrue and shall be calculated on the basis of the actual number of days elapsed in a year of 365 days. For greater certainty, interest shall be owing after, as well as before, maturity, default and judgment.

(b) Subject to Section 4.2, unless payment is otherwise required in accordance with the terms and conditions of this Debenture, interest shall be payable on this Debenture in cash on the Maturity Date (for greater certainty, as contemplated by Section 4.1, if prior to the Maturity Date the Holder exercises its Conversion Right, interest shall be payable in cash on the Maturity Date only in respect of interest which has accrued over the term of this Debenture on that portion of the Principal Amount which is not converted pursuant to the exercise of the Conversion Right).

(c) In the event that the Company fixes a record date for the payment of, or (without having fixed a record date therefor) makes payment of any cash dividend or other cash distribution on its Common Shares, on the date such cash dividend or other cash distribution is paid the Company shall pay to the Holder, in cash, as additional interest, an amount equal to the product obtained by *multiplying* the amount of such cash dividend or other cash distribution paid per Common Share by a fraction: (i) the numerator of which shall be the total amount of unconverted and outstanding Principal Amount, as well as any accrued and unpaid interest owing thereon, on the date such cash dividend or other cash distribution is paid; and (ii) the denominator of which shall be the then applicable Conversion Price.

Section 3.3 Compliance with the *Interest Act (Canada)*. For purposes of the *Interest Act (Canada)* and disclosure thereunder, (i) whenever any interest or fee under this Debenture is calculated

using a rate based on a year of 365 days (or such other period that is less than a calendar year), as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 365 days (or such other period that is less than a calendar year), as the case may be, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 365 (or such other period that is less than a calendar year), as the case may be, (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Debenture, and (iii) the rates of interest stipulated in this Debenture are intended to be nominal rates and not effective rates or yields.

Section 3.4 Prepayment. Upon and subject to the terms and conditions hereinafter set forth, the Company shall have the right (the “**Prepayment Right**”), at its sole option, at any time, and from time to time, prior to 5:00 p.m. (Toronto time) on the Business Day immediately preceding the Maturity Date, to prepay, in full, the Obligations. The Prepayment Right may be exercised by the Company by providing notice of the Prepayment (the “**Prepayment Notice**”), and delivering such notice to the Holder at its address set out in Section 13.2, not less than five (5) Business Days prior to the prepayment date (the “**Prepayment Date**”). The Prepayment Right shall be exercised by the payment to the Holder on the Prepayment Date of the following consideration:

(a) payment in cash of the then outstanding Principal Amount plus all accrued and unpaid interest on such Principal Amount to the Prepayment Date plus all interest to accrue on such Principal Amount to the Maturity Date (collectively, the “**Cash Prepayment Amount**”); and

(b) the issuance to the Holder of such number of Common Share purchase warrants (the “**Prepayment Warrants**”) as is equal to the Cash Prepayment Amount divided by the Conversion Price as at the Prepayment Date.

For greater certainty, nothing herein shall prevent the Holder from exercising the Conversion Right and/or Interest Conversion Right in which case the payment to the Holder on the Prepayment Date shall be reduced to the extent of the Principal Amount and/or Interest so converted.

The Prepayment Warrants shall vest in full immediately upon issuance, shall be exercisable up until 5:00 p.m. (Toronto time) on August 5, 2025, shall have an exercise price equal to the Conversion Price as at the Prepayment Date and shall be issued substantially on the terms, *mutatis mutandis*, as the Warrant Certificate.

Section 3.5 Rank. This Debenture and the Obligations hereunder, including the payment of the Principal Amount, accrued and unpaid interest, and all fees, costs, charges and expenses from time to time due and owing under this Debenture, shall rank senior in right of payments on all other indebtedness, secured or unsecured, of the Company and its Subsidiaries (other than the IsoCanMed Promissory Note and solely in respect of IsoCanMed pursuant to a Subordination Agreement).

Section 3.6 Security. The indebtedness evidenced by this Debenture, including payment of the Principal Amount, together with accrued and unpaid interest owing thereon, and all other fees, costs, charges and expenses due and owing under this Debenture, and the performance by the Company of all the Obligations, is secured by a first-priority lien over all present and future property (both real and personal) of each grantor party to, and as constituted by, the Security Documents.

Section 3.7 Permitted Use of Proceeds. The Company covenants that it shall only use the Principal Amount for the purpose of: (i) first, repayment in full of the Lind Partners Loan, including any accrued but unpaid interest to the date of repayment, that is not converted into Common Shares by the Closing Date in accordance with the terms thereof, (ii) second, in partial repayment of up to \$500,000 of

the amount owing under the IsoCanMed Promissory Notes, (iii) third, in repayment of the aggregate amount of \$ [redacted - confidential info] due to [redacted - confidential information] under the promissory note obligation, (iv) fourth, in payment of accrued and unpaid bonus payments due to the Company's executive officers in the aggregate amount of \$372,500; and (iv) following which, for operations and expansion of the Company.

ARTICLE 4 – CONVERSION OF DEBENTURE

Section 4.1 Right of Holder to Convert Principal Amount into Common Shares. Upon and subject to the terms and conditions hereinafter set forth, the Holder shall have the right (the “**Conversion Right**”), at its sole option, at any time, and from time to time, prior to 5:00 p.m. (Toronto time) on the Business Day immediately preceding the Maturity Date, to notify the Company that it wishes to convert, for no additional consideration, all or any part of the outstanding Principal Amount into duly authorized, validly issued, fully paid and non-assessable Common Shares at the Conversion Price, without presentment, demand, protest or other notice of any kind.

Section 4.2 Conversion of Interest into Common Shares.

(a) Upon the conversion of all or any part of the outstanding Principal Amount into Common Shares at the Conversion Price pursuant to the terms of this Article 4 –, subject to any required approval by the Exchange, the Holder shall have the right (the “**Interest Conversion Right**”) to elect to convert all or any part of the accrued and unpaid interest on such Principal Amount so converted up to, but excluding, the date of conversion in accordance with Section 2.2 into duly authorized, validly issued, fully paid and non-assessable Common Shares at the Conversion Price, without presentment, demand, protest or other notice of any kind.

(b) Upon maturity of this Debenture on the Maturity Date, subject to any required approval by the Exchange, the Holder shall have the right to elect to convert all accrued and unpaid interest on the aggregate unconverted and outstanding Principal Amount into duly authorized, validly issued, fully paid and non-assessable Common Shares at the Conversion Price, without presentment, demand, protest or other notice of any kind.

(c) Subject to any required approval by the Exchange, the Holder shall have the right to elect to convert the full amount of interest payable to the Maturity Date in accordance with Section 8.1(b) or Section 11.1(c), Section 11.1(d)(ii), as applicable, into duly authorized, validly issued, fully paid and non-assessable Common Shares at the Conversion Price, without presentment, demand, protest or other notice of any kind.

Section 4.3 Conversion Procedure. The Conversion Right and/or the Interest Conversion Right, as applicable, may be exercised by the Holder by completing and signing the notice of conversion (the “**Conversion Notice**”) attached hereto as Schedule C, and delivering the Conversion Notice and this Debenture to the Company at its address set out in Section 13.2; provided that, in the event the Holder is unable to surrender and/or deliver the physical form of this Debenture along with an original copy of the executed Conversion Notice to the Company's principal office (or such other office of the Company or with a designated agent of the Company as the Company may designate in accordance with the terms hereof) as a result of events which are beyond its control, including cyber-attacks, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms or other natural or manmade catastrophes, for the purposes of exercising the Conversion Right and/or the Interest Conversion Right, as applicable, the Holder shall be entitled to surrender and/or deliver a copy of this Debenture along with a copy of the executed Conversion Notice by email transmission in accordance with Section 13.2 hereof, and shall provide the physical form of this Debenture along with an original copy of the executed Conversion Notice to the Company or its designated agent as soon as is practicable in light of

the circumstances. The Conversion Notice shall provide that the Conversion Right and/or the Interest Conversion Right, as applicable, is being exercised, shall specify the Principal Amount and/or accrued and unpaid interest thereon, if any, being converted, and shall set out the date (the “**Issue Date**”) on which Common Shares are to be issued upon the exercise of the Conversion Right and/or the Interest Conversion Right, as applicable (such date to be no later than five Business Days after the day on which the Conversion Notice is issued). The conversion shall be deemed to have been effected immediately prior to the close of business on the Issue Date and the Common Shares issuable upon conversion shall be deemed to be issued as fully paid and non-assessable at such time. Within five Business Days after the Issue Date, the Company shall cause to be delivered a share certificate or certificates (or such other evidence of the issuance of the Common Shares from the Company’s transfer agent, including notices under a non-certificated registry) for such number of Common Shares issued, to, or registered in the name of, the Holder or the Person or Persons in whose name or names the Common Shares have been issued, as specified in the Conversion Notice. If less than all of the Principal Amount of this Debenture is the subject of the Conversion Right, then within five Business Days after the Issue Date, the Company shall deliver to the Holder a replacement Debenture in the form hereof in the principal amount of the unconverted principal balance hereof, and this Debenture shall be cancelled. If the Conversion Right is being exercised in respect of the entire Principal Amount of this Debenture, this Debenture shall be cancelled.

Section 4.4 Adjustment to Conversion Price.

(a) The Conversion Price and the number of Common Shares issuable to the Holder upon the conversion of this Debenture shall be subject to adjustment from time to time as expressly provided in the provisions of this Section 4.4 (in each case, after taking into consideration any prior adjustments pursuant to this Section 4.4); provided, however, that if more than one subsection of this Section 4.4 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 4.4 so as to result in duplication.

(i) **Share Dividends or Distributions, Consolidations and Splits.** If at any time prior to the Maturity Date the Company shall: (1) fix a record date for the issue of, or (without having fixed a record date therefor) issue, Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a share dividend; (2) fix a record date for the distribution to, or (without having fixed a record date therefor) make a distribution to, the holders of all or substantially all of the outstanding Common Shares payable in Common Shares (which for the avoidance of doubt, shall not include any Common Shares issued by the Company upon the conversion of this Debenture); (3) subdivide, split or otherwise divide the outstanding Common Shares into a greater number of Common Shares; or (4) consolidate, reverse-split or otherwise aggregate the outstanding Common Shares into a smaller number of Common Shares (any of the events contemplated by the foregoing clauses (1), (2), (3) and (4) of this Section 4.4(a)(i), a “**Common Share Reorganization**”), then the Conversion Price shall be adjusted, effective immediately after the record date for the determination of the Company Shareholders entitled to receive a distribution contemplated by the foregoing clauses (1) or (2) of this Section 4.4(a)(i) or immediately after the effective date in the case of such a subdivision or consolidation contemplated by the foregoing clauses (3) or (4) of this Section 4.4(a)(i), to an amount equal to the product obtained, rounded to the nearest penny, by *multiplying* the Conversion Price in effect immediately prior to any such adjustment by a fraction: (x) the numerator of which shall be the number of Common Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Common Share Reorganization; and (y) the denominator of which shall be the number of Common Shares which will be outstanding immediately after giving effect to such Common Share Reorganization.

(ii) **Rights Offering.** If at any time prior to the Maturity Date the Company shall fix a record date for the issue of rights, options or warrants (the “**Rights Offering Securities**”) to all or substantially all of the Company Shareholders entitling them, for a period of time after such record date (such period from the record date to the date of expiry being referred to in this Section 4.4(a)(ii) as the “**Rights Period**”), to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share determined in accordance with applicable Laws and Exchange rules (such subscription price per Common Share (inclusive of any cost of acquisition of securities exchangeable for or convertible into Common Shares in addition to any direct cost of Common Shares) being referred to in this Section 4.4(a)(ii) as the “**Per Share Cost**”), the Company shall give written notice to the Holder with respect thereto (any of such events herein referred to as a “**Rights Offering**”), and the Holder shall have 15 days after receipt of such notice to elect to convert any or all of the Principal Amount plus accrued and unpaid interest thereon into Common Shares at the then applicable Conversion Price and otherwise on terms and conditions set out in this Debenture. If the Holder elects to convert any or all of the Principal Amount plus accrued and unpaid interest thereon, such conversion shall occur immediately prior to the record date for the issuance of such Rights Offering Securities. If the Holder elects not to convert any of the Principal Amount plus accrued and unpaid interest thereon, subject to the Company’s obligations under Section 4.5 and any required approvals under applicable Laws or of the Exchange, the Company shall issue to the Holder on the same date as the Rights Offering Securities are issued to Company Shareholders equivalent securities to the Rights Offering Securities providing for the identical rights, terms and conditions as such Rights Offering Securities, including the Per Share Cost that the Holder would have been entitled to be issued on the record date for such Rights Offering if it had converted all of the Principal Amount plus accrued and unpaid interest thereon into Common Shares at the then applicable Conversion Price and was the holder of record of such Common Shares on the record date for the issuance of the Rights Offering Securities, and the Holder will be entitled to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at the Per Share Cost during the applicable Rights Period.

(b) In connection with any adjustments made pursuant to Section 4.4(a):

(i) subject to the other provisions of this Section 4.4(b), any adjustment made pursuant to Section 4.4(a) shall be made successively whenever an event referred to therein shall occur;

(ii) if the Company sets a record date to determine the Company Shareholders for the purpose of entitling such holders to receive any dividend or distribution and shall thereafter and before the distribution to such holders of any such dividend or distribution rights legally abandon its plan to pay or deliver such dividend or distribution, then no adjustment in the Conversion Price or the number of Common Shares issuable upon the conversion of this Debenture shall be required by reason of the setting of such record date; and

(iii) in any case in which this Debenture shall require that an adjustment shall become effective immediately after a record date for an event referred to in Section 4.4(a), the Company (acting reasonably and in good faith) may defer, until the occurrence of such event: (A) issuing to the Holder, to the extent that this Debenture is converted after such record date and before the occurrence of such event, the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event; and (B) delivering to the Holder any distribution declared with respect to such additional Common Shares after such record date and before such event; provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the right of the Holder upon the occurrence of the event requiring the adjustment, to an adjustment in the Conversion Price or the right to receive such additional number of Common

Shares upon the conversion of this Debenture and to such distribution declared with respect to any such additional Common Shares issuable on the conversion of this Debenture.

(c) Not later than the earlier of the record date or effective date of any event which requires or might require an adjustment in any of the rights of the Holder under this Debenture, including the Conversion Price or the number of Common Shares issuable upon conversion of this Debenture, the Company shall deliver to the Holder a notice briefly stating the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this Section 4.4(c) has been given is not then determinable, the Company shall promptly after such adjustment is determinable deliver to the Holder a notice setting forth the calculation of such adjustment.

(d) Subject to the Company's obligations under Section 4.5, where the provisions of this Section 4.4 do not otherwise apply or if for any reason the provisions of this Section 4.4 are unable to be applied pursuant to applicable Laws or the rules of the Exchange, prior to issuing any Common Shares, or any securities exchangeable for or convertible into Common Shares (including, for the avoidance of doubt, any warrant, option, right or preferred security), (i) in any transaction of a similar or comparable nature to the other transactions to which an adjustment to the Conversion Price would be required pursuant to Section 4.4(a)(i) or the Holder's participation right under Section 4.4(a)(ii) and that is made available to all or substantially all of the Company Shareholders, pursuant to which the Holder would have been entitled to be issued Common Shares, or any securities exchangeable for or convertible into Common Shares, as applicable, if it had exercised this Debenture and received Common Shares on the conversion thereof and was the holder of record of such Common Shares on the relevant date for the entitlement to receive such securities or (ii) in the case of a transaction covered by Section 4.4(a)(i) or Section 4.4(a)(ii), if for any reason the provisions of this Section 4.4 are unable to be applied pursuant to applicable Laws or the rules of the Exchange, the Company, to the extent practicable, shall advise and consult in good faith with the Holder and the Parties shall mutually agree in writing on the appropriate adjustment (and the calculation of such adjustment) or an appropriate participation or other right, as the case may be, to be made or provided, as applicable, in connection with such issuance.

Section 4.5 Regulatory Approval.

(a) In connection with any exercise, or anticipated exercise, of all or part of the Conversion Right and/or the Interest Conversion Right, as applicable, that, upon exercise, would require (i) any approval of the Exchange, (ii) any approval of the Company Shareholders, or (iii) any other approval which may be required in accordance with applicable Laws (collectively, the "**Approvals**"), the Holder may convert such amount into Common Shares up to the maximum number of Common Shares not requiring any such Approvals and the Company shall satisfy or obtain such Approvals as promptly as practicable following notice from the Holder to the Company of the Holder's intent to exercise its Conversion Right and/or Interest Conversion Right, as applicable. In furtherance of the foregoing, the Company shall keep the Holder reasonably informed in connection with such efforts.

(b) In connection with any adjustments or readjustments to the Conversion Price made or to be made pursuant to Section 4.4(a)(i) or the Holder's participation right under Section 4.4(a)(ii), as applicable, the Company shall satisfy or obtain any required Approvals as promptly as practicable, and in any event, prior to undertaking or effecting any such transaction contemplated pursuant to Section 4.4 requiring such adjustment or readjustment or participation by the Holder, as applicable. In furtherance of the foregoing, the Company shall keep the Holder reasonably informed in connection with such efforts.

Section 4.6 No Requirement to Issue Fractional Common Shares. The Company shall not be required to issue fractional Common Shares upon the conversion of any Principal Amount of this

Debenture or the interest thereon. Any fractional Common Shares shall be rounded up to the nearest whole number without payment or compensation in lieu thereof.

Section 4.7 Company to Reserve Common Shares. The Company covenants with the Holder that it will at all times reserve and keep available out of its authorized Common Shares, solely for the purpose of issue upon exercise of the Conversion Right, and conditionally allot to the Holder, such number of Common Shares as shall then be issuable upon the conversion of this Debenture. The Company covenants with the Holder that all Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable. The Company covenants with the Holder to cause the Common Shares and the certificates, as applicable, representing the Common Shares, from time to time acquired pursuant to the exercise of the Conversion Right, to be duly issued and delivered in accordance with the terms hereof.

Section 4.8 Certificate as to Adjustment. The Company shall from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.4, deliver an officer's certificate of the Company to the Holder specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Subject to the dispute resolution procedure in Section 4.9, such certificate shall be binding and determinative of the adjustment to be made, absent manifest error or fraud.

Section 4.9 Dispute Resolution. If a dispute arises with respect to adjustments of the Conversion Price or the number of Common Shares issuable to the Holder upon the conversion of this Debenture, such dispute will be conclusively determined by the auditors of the Company or if they are unable or unwilling to act, by such firm of independent chartered professional accountants as may be selected by the board of directors of the Company and acceptable to the Holder, acting reasonably, and any such determination will be binding upon the Holder, the Company and all transfer agents and all securityholders of the Company.

Section 4.10 Shareholder of Record. For all purposes, on the Issue Date or the applicable date specified in Section 4.3 the Holder shall be deemed to have become the holder of record of the Common Shares into which the Principal Amount and, if applicable, accrued and unpaid interest (or a portion thereof) is converted in accordance with Section 4.3.

Section 4.11 Resale Restrictions, Legending and Disclosure. By its acceptance hereof the Holder acknowledges that this Debenture and the Common Shares issuable upon conversion hereof will be subject to certain resale restrictions under applicable securities laws, and the Holder agrees to comply with all such restrictions and laws. The Holder further acknowledges and agrees that all Common Share certificates will bear the legend substantially in the form set forth on the face page hereof as well as any legend(s) required by the Exchange, provided that such legend shall not be required on Common Share certificates issued at any time following four months plus one day after the date hereof. The Holder acknowledges that the Company will be required to provide to the applicable securities regulatory authorities the identity of the Holder and its principals and the Holder hereby agrees thereto.

ARTICLE 5 – RIGHTS OF HOLDER

Section 5.1 Distribution on Dissolution, Etc. Subject to applicable Law, upon any sale, in one transaction or a series of transactions, of all, or substantially all, of the assets of the Company or distribution of the assets of the Company upon any dissolution or winding-up or total liquidation of the Company, whether in bankruptcy, liquidation, re-organization, insolvency, receivership or other similar proceedings or upon an assignment to or for the benefit of creditors of the Company or otherwise any

payment or distribution of assets of the Company, whether in cash, property or security, shall be paid or delivered by the trustee in bankruptcy, receiver, assignee of or for the benefit of creditors or other liquidating agent of the Company making such payment or distribution, directly to the holder of this Debenture or their Representatives, to the extent necessary, to pay all obligations pursuant to this Debenture in full.

Section 5.2 Certificate Regarding Creditors. Upon any payment or distribution of assets of the Company referred to in this Section 5.2, the Holder shall be entitled to rely upon a certificate of the trustee in bankruptcy, receiver, assignee of or for the benefit of creditors or other liquidating agent of the Company making such payment or distribution, delivered to the Holder, for the purpose of ascertaining the Persons entitled to participate in such distribution, and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Section 5.2.

Section 5.3 Rights of Holder Reserved. Nothing contained in this Article 5 – or elsewhere in this Debenture is intended to or shall impair, as between the Company and the Holder, the obligation of the Company, which is absolute and unconditional, to pay to the Holder the Principal Amount and interest on this Debenture, as and when the same shall become due and payable in accordance with their terms, nor shall anything herein prevent the Holder from exercising all remedies otherwise permitted by applicable Law upon default under this Debenture.

ARTICLE 6 – REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties. The Company represents and warrants to the Holder as follows:

(a) Each of the representations and warranties made by the Company in the Subscription Agreement was, *mutatis mutandis*, true, accurate and complete in all respects as at the date the Subscription Agreement was entered into and as at the Closing Date.

(b) No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Person, is or was necessary in connection with the execution, delivery and performance of obligations under this Debenture and the other Security Documents, except for the registrations required to be made pursuant to the *Personal Property Security Act* (Ontario), *Personal Property Security Act* (British Columbia), *Personal Property Security Act* (New Brunswick) and the equivalent legislation in the Province of Quebec, and except as are in full force and effect, unamended, at the date of this Debenture;

(c) Other than with respect to Permitted Encumbrances and with respect to obligations due to Governmental Authorities in an amount no exceeding \$450,000 on account of excise taxes, not exceeding \$130,000 on account of Quebec Sales Tax and not exceeding \$240,000 on account of harmonized sales taxes as at July 18, 2022, the Company has no liabilities or obligations of any nature, which may give the holder of such liability priority over the Obligations; and

(d) The Company is the registered owner of: (i) 1,336,877 Class A Common shares in the capital of Abba Medix Corp., (ii) 98 Common shares in the capital of Canada House Clinics Inc., (iii) 300 Class “A” shares in the capital of IsoCanMed, (iv) 500 Class A common shares in the capital of 690050 NB Inc. and (v) subject to the completion of the Tranche One Closing, 2,499 common shares of MC, and other than the foregoing, does not own or control any other shares of, or any options, warrants or securities convertible into shares of the Subsidiaries, and the shares being pledged by the Company to the Holder in connection with this Debenture and the other Security Documents have been duly and validly issued as fully-paid and non-assessable.

(e) Except as set forth under Section 6.1(d), no other securities are issued and outstanding as at such date and there are no existing Equity Interests in, the Subsidiaries obligating such Subsidiary to issue, transfer, register or sell or cause to be issued, transferred, registered or sold any shares in the capital of, or voting debt securities of, or other Equity Interest in, such Subsidiary or securities convertible into or exchangeable for such shares or Equity Interests or other securities. All of the issued and outstanding shares in the capital or other securities of each Subsidiary are owned, directly or indirectly, by the Company.

Section 6.2 Survival of Representations and Warranties. The representations and warranties in this Debenture and in any certificates or documents delivered to the Holder, including the Subscription Agreement and the other Security Documents, shall not merge in or be prejudiced by and shall survive any advance and shall continue in full force and effect so long as any amounts are owing by the Company to the Holder.

ARTICLE 7 – COVENANTS OF THE COMPANY

Section 7.1 Positive Covenants. The Company covenants and agrees with the Holder that so long as this Debenture remains outstanding, the Company shall and shall cause its Subsidiaries to:

(a) **Payment of Obligations.** Punctually pay or cause to be paid to the Holder the principal, interest and other amounts owing to the Holder as and when the same become due or payable hereunder;

(b) **Corporate Existence.** Maintain its corporate existence, and preserve its rights, powers, licenses and privileges which are necessary or material to the conduct of its business, and not materially change the nature of its business;

(c) **Books and Records.** Keep proper and accurate records and books of account, in which complete and correct entries will be made reflecting all financial transactions and prepare its financial statements in accordance with generally accepted accounting principles;

(d) **Compliance with Laws.** Comply in all material respects with the requirements of all applicable Laws, judgments, orders, decisions and awards;

(e) **Government Authorizations.** Comply in all material respects with all Governmental Authorizations that are necessary for the ownership or lease of its properties or the conduct of its businesses;

(f) **Payment of Taxes.** Duly file on a timely basis all Tax returns, reports, notices, designations, elections, or similar documents relating to Taxes required to be filed by it and duly and punctually pay and discharge all Taxes required to be paid by it or imposed upon it or its property as and when the same become due and payable save and except where it contests in good faith the validity thereof by proper legal proceedings and maintains adequate reserves in its books and records for such Taxes in accordance with applicable accounting principles;

(g) **Notification of Matters.** Promptly, and in any event within five Business Days after a responsible officer of the Company becoming aware, give written notice to the Holder of:

(i) any Event of Default or default hereunder that may reasonably be expected to become an Event of Default of which it becomes aware, using reasonable diligence, together with a statement of an officer of the Company setting forth the details of such Event of Default and the action which has been, or is proposed to be, taken with respect thereto;

(ii) any material default by the Company of its obligations under Canadian Securities Laws or the requirements of the Exchange;

(iii) any order, ruling or determination of the Exchange or securities regulatory authority having the effect of suspending the sale or ceasing the trading of any securities of the Company;

(iv) any litigation, arbitration or other proceeding commenced, pending or threatened against the Company or a Subsidiary for which the amount claimed exceeds \$100,000, together with a statement of an officer of the Company describing the nature of such litigation, arbitration or other proceeding or other information and the anticipated effects thereof;

(v) any other material change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company and its Subsidiaries, taken as a whole; and

(vi) from time to time provide the Holder with all reasonable information requested by the Holder concerning the status of any of the foregoing;

(h) **Insurance.** Maintain insurance at all times with responsible insurance carriers with respect to its properties and business against such casualties and contingencies, of such types, on such terms and in such amounts as is customary in the case of entities engaged in the same or a similar business and similarly situated;

(i) **Protect Security.** Promptly cure or cause to be cured any defects in the execution and delivery of this Debenture or any defects in the validity or enforceability of this Debenture, and at its expense, execute and deliver or cause to be executed and delivered, all such agreements, instruments and other documents (including the filing of any financing statements or financing change statements) as the Holder may consider necessary or desirable, acting reasonably, to protect or otherwise perfect the security interest created thereunder, including without limitation, the Security Documents;

(j) **Subsidiary Guarantees.** Cause each Subsidiary Guarantor and each present and future Material Subsidiary to enter into a Subsidiary Guarantee, such that such Subsidiary Guarantor and Material Subsidiary guarantees in favour of the Holder all Obligations of the Company. In addition to the Subsidiary Guarantees provided by the Subsidiary Guarantors, the obligation of a Person to enter into a Subsidiary Guarantee shall arise as soon as reasonably practicable after such Person becomes a Material Subsidiary;

(k) **Liens.** Provide and cause each Subsidiary Guarantor and each present and future Material Subsidiary to provide at all times in favour of the Holder a first-priority lien (subject only to Permitted Encumbrances) over all present and future personal property and real property of the Company or such Subsidiary Guarantor or Material Subsidiary, as applicable, as security for its Obligations, together with such supporting materials as may be required to ensure the perfection or priority of such Lien. In addition to the Liens provided by the Subsidiary Guarantors, the obligation of a Person to provide any such Lien shall arise as soon as is reasonably practicable following such Person (i) becoming a Material Subsidiary, or (ii) if such Person is already a Material Subsidiary and Subsidiary Guarantor, acquiring assets, property or undertaking that are not already subject to a first-priority lien (subject only to Permitted Encumbrances) in favour of the Holder;

(l) **Maintain Listing and Reporting Issuer Status.** Shall maintain the listing of the Common Shares on the Exchange, and take all steps necessary to ensure that any Common Shares issued to the Holder

pursuant to the terms of this Debenture are listed and posted for trading on the Exchange (subject, in the case of any Common Shares issued to the Holder pursuant to the terms of this Debenture, to any applicable hold periods, not to exceed four months plus one day), and shall maintain such listing and posting for trading of such Common Shares on the Exchange, and shall maintain the Company's status as a "reporting issuer" not in default of the requirements of Canadian Securities Laws;

(m) **Public Filings.** Provide to the Holder and its legal counsel a reasonable period of time within which to review drafts of all public filings of the Company in connection with, or relating to, this Debenture, and to approve the forms thereof, prior to any public dissemination; and

(n) **Board Observers.** At the request of the Holder, but subject at all relevant times to the Ownership Threshold, designate Irvine Weitzman and/or Kevin Weitzman as observers to the Company Board (each such individual, a "**Board Observer**"). Each Board Observer shall be entitled to (i) receive notice of and to attend meetings of the Company Board, (ii) take part in discussions and deliberations of matters brought before the Company Board, (iii) receive notices, consents, minutes, documents and other information and materials that are sent to members of the Company Board, and (iv) receive copies of any written resolutions proposed to be adopted by the Company Board, including any resolution as approved, each at substantially the same time and in substantially the same manner as the members of the Company Board, except that the Board Observers will not be entitled to vote on any matters brought before the Board. The Board Observers will not be entitled to any compensation from the Company; provided, however, that all reasonable expenses of the Board Observers shall be reimbursed by the Company. The covenant in this Section 6.1(n) shall survive the release and discharge of the Company's obligations of this Debenture pursuant to Section 13.5 if at such time the Holder maintains the Ownership Threshold and shall continue to survive until the Holder no longer maintains the Ownership Threshold, at which point such covenant shall terminate.

Section 7.2 Negative Covenants. The Company covenants and agrees with the Holder that so long as this Debenture remains outstanding, the Company shall not, and shall not permit its Subsidiaries to, without the prior written consent of the Holder (provided that, solely with respect to Section 7.2(e), Section 7.2(g) and Section 7.2(h), the Holder shall act reasonably in determining whether to provide such prior written consent):

(a) **Indebtedness.** Except for this Debenture, to create, incur, permit, grant, assume or suffer to exist any indebtedness for borrowed money, other than Permitted Indebtedness;

(b) **Guarantees.** The Company shall not become liable under any guarantees or otherwise become a surety for the indebtedness of another Person, other than (a) in the Ordinary Course of Business, or (b) in connection with Permitted Indebtedness incurred or assumed at any time by the Company or its Subsidiaries under Section 7.2(a);

(c) **Encumbrances.** Create, incur, assume or suffer to exist any Lien on any assets or property, other than (i) such Liens as existed on the date hereof, as disclosed to the Holder but not including Permitted Encumbrances described in clause (iv) of this Section 7.2(c); provided that, for the avoidance of doubt, any Liens granted in connection with the Lind Partners Loan are not Permitted Encumbrances; (ii) Liens imposed by any Governmental Authority for any Taxes not yet due and delinquent or which are being contested in good faith by appropriate proceedings and for which adequate reserves have been recorded on the books and records of the Company in accordance with applicable accounting principles; (iii) Liens on the property and assets of IsoCanMed, not including liens granted in connection with the IsoCanMed Promissory Notes, securing indebtedness permitted pursuant to subsection (e) of the definition of Permitted Indebtedness under Section 1.1; (iv) Liens granted in connection with the IsoCanMed Promissory Notes; and (v) Liens granted after the date hereof to secure Permitted Indebtedness incurred under or assumed by

the Company or the Subsidiaries after the date hereof under Section 7.2(a) but not including Permitted Encumbrances described in clause (iii) of this Section 7.2(c) (collectively, the “**Permitted Encumbrances**”). For the avoidance of doubt, Permitted Encumbrances described in clauses (i) and (v) of the foregoing sentence must be, at all times, subordinated to the security interest of the Holder;

(d) **Company Business.** Enter into any new line of business or make any change in the Company Business;

(e) **Annual Budget.** Approve or adopt the annual operating budget or plan of the Company except as it relates to the declaration, payment or commitment to any dividend or distribution on the Common Shares;

(f) **Disposal of Assets, Property or Rights.** Sell, assign, exchange, lease, release, license, transfer or abandon or otherwise dispose of, or permit any of its Subsidiaries to sell, assign, exchange, lease, release, license, transfer or abandon or otherwise dispose of, all or any of their assets, rights or properties, except for:

(i) bona fide dispositions of inventory in the Ordinary Course of Business; or

(ii) dispositions of obsolete assets and other assets, provided the aggregate value of the foregoing shall not exceed \$250,000;

(g) **Transactions with Related Parties.** Sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any transaction with any employees, officers or directors of the Company or its Subsidiaries or other Persons not dealing at arm’s length (within the meaning of the *Income Tax Act* (Canada)) with the Company or any of the Subsidiaries or any “associate” (as defined in the *Canada Business Corporations Act*), except:

(A) with respect to agreements currently in place and disclosed to the Holder;

(B) transactions between or among the Company and its Subsidiaries (other than Unrestricted Subsidiaries); or

(C) otherwise as permitted under this Debenture;

The covenant in this Section 7.2(g) shall survive the release and discharge of the Company’s obligations of this Debenture pursuant to Section 13.5 if at such time the Holder maintains the Ownership Threshold and shall continue to survive until the Holder no longer maintains the Ownership Threshold, at which point such covenant shall terminate.

(h) **Changes to Employment or Material Changes to Compensation.**

(A) Hire, appoint, terminate or remove any executive officers of the Company or any of its Subsidiaries; or

(B) Materially change the terms of compensation (including bonuses, option awards or other incentive or performance-based compensation) payable by the Company or any of its Subsidiaries to any officers or directors of the Company or any of its Subsidiaries or any other Persons not dealing at arm’s length (within the meaning of the *Income Tax Act* (Canada)) with the Company or any of its Subsidiaries, except in the Ordinary Course of Business in accordance with the Company’s current compensation strategies, as disclosed to the Holder;

- (i) **Subsidiaries.** Dissolve any of the Subsidiaries;
- (j) **Control Agreements.** Enter into, or permit any Subsidiary to enter into, an account control agreement with any bank or financial institution other than the Holder; and
- (k) **Conversion Price Adjustment Transactions.** Undertake or effect any transaction requiring an adjustment or readjustment to the Conversion Price contemplated pursuant to Section 4.4, unless it has obtained all necessary Approvals, including with respect to any adjustment or readjustment to the Conversion Price.

ARTICLE 8 – DESIGNATED EVENTS

Section 8.1 Designated Events.

(a) Any of the following shall constitute a Designated Event under this Debenture (each a “**Designated Event**”):

- (i) if the Company shall declare, make, pay or commit to or fix a record date for the payment of any dividend or other distribution on its Common Shares;
- (ii) if the Company shall reduce the stated capital of the Common Shares or the shares of any of its Subsidiaries;
- (iii) if the Company shall effect a repurchase, redemption or take any other action that results in a reduction in the number of Common Shares outstanding;
- (iv) if the Company is not permitted to make any one or more adjustment(s) provided for in Section 4.4 pursuant to the applicable rules of the Exchange;
- (v) if either the Company or any of the Company Shareholders receive an Acquisition Proposal that is required to be extended to all of the Company Shareholders; or
- (vi) if the Company enters into a definitive agreement with respect to an Acquisition Proposal.

(b) In the case of the occurrence of a Designated Event described in Section 8.1(a)(i) to Section 8.1(a)(iv), the Holder shall, in its sole discretion, have the right to cause the entire amount of interest payable in accordance with Section 3.2(a) to the Maturity Date to accrue and to declare the Principal Amount then outstanding (or part thereof) and such accrued interest to become immediately due and payable in cash or be converted into Common Shares at the Conversion Price in accordance with Section 4.2(c).

(c) In the case of the occurrence of a Designated Event described in Section 8.1(a)(v) to Section 8.1(a)(vi) (a “**Change of Control Transaction**”), at any time following the announcement of a Change of Control Transaction and prior to the date that is two Business Days prior to the closing or consummation of such Change of Control Transaction, the Holder shall, in its sole discretion, have the right, but not the obligation, to cause the entire amount of interest payable in accordance with Section 3.2(a) to the Maturity Date to accrue and to declare the Principal Amount then outstanding (or part thereof) and such accrued interest to become immediately due and payable in cash or be converted into Common Shares at the Conversion Price in accordance with Section 4.2(c), and such rights and election to demand payment in cash or the exercise of the rights provided under this Section 8.1(c), including the acceleration of the accrual of interest to the Maturity Date and conversion of all or part of the Principal Amount and accrued

interest, shall be conditional only upon the completion of such Change of Control Transaction so that the Holder can participate in the Change of Control Transaction along with the other holders of Common Shares in the case of the exercise, and such conversion shall become effective immediately prior to, or contemporaneously with, the closing of such Change of Control Transaction so that the Holder can participate in the Change of Control Transaction along with the other holders of Common Shares; provided, however, that if the Holder does not make such election, the Holder shall, in its sole discretion, have the further right to elect to either (i) require the Company to purchase this Debenture at 100% of the outstanding Principal Amount thereof plus any and all accrued and unpaid interest to the Maturity Date; or (ii) if the Change of Control Transaction results in a new issuer, cause any successor entity in any Change of Control Transaction in which the Company is not the survivor (the “**Successor Entity**”) to assume in writing all of the obligations of the Company under this Debenture pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder prior to such Change of Control Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Debenture a security of the Successor Entity evidenced by a written instrument substantially similar in form, terms and substance to this Debenture, which is convertible for a number of shares of such Successor Entity (or its parent entity) equivalent to the number of Common Shares issuable upon conversion of this Debenture (without regard to any limitations on the conversion of this Debenture) prior to such Change of Control Transaction, and with a conversion price that applies the conversion price hereunder to such shares of the Successor Entity (but taking into account the relative value of the Common Shares pursuant to such Change of Control Transaction and the value of such shares, such number of shares and such conversion price being for the purpose of protecting the economic value of this Debenture immediately prior to the consummation of such Change of Control Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Change of Control Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Change of Control Transaction, the provisions of this Debenture and the Subscription Agreement shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Debenture, the Subscription Agreement and the Security Documents with the same effect as if such Successor Entity had been named as the Company herein.

(d) Upon the occurrence of any event constituting or reasonably likely to constitute a Designated Event, the Company shall give written notice to the Holder of such Designated Event at least 30 days, or as soon as possible, prior to the record date for and/or effective date of such Designated Event, as applicable, and another written notice on or immediately after the effective date of such Designated Event.

ARTICLE 9 – PRE-EMPTIVE RIGHTS

Section 9.1 Pre-emptive Rights.

(a) Subject to the Ownership Threshold, the Company hereby grants to the Holder the right to purchase, directly or indirectly by another member of the Archerwill Group, from time to time upon the occurrence of any Triggering Event, up to such number of Common Shares and/or Convertible Securities issuable in connection with the Triggering Event on the same terms and conditions as those issuable in connection with the Triggering Event (the “**Pre-emptive Right Securities**”) which will, when added to the Common Shares beneficially owned by the Archerwill Group immediately prior to the Triggering Event, result in the Archerwill Group beneficially owning the Original Percentage immediately after giving effect to the issue of all Common Shares and/or Convertible Securities to be issued in connection with the Triggering Event.

(b) In respect of each exercise of the Pre-emptive Right, the purchase price per Pre-emptive Right Security shall be equal to the Triggering Event Price.

(c) The Company shall provide to the Holder written notice (a “**Triggering Event Notice**”) as soon as practicable (i) following a determination by the Company to effect a Triggering Event, other than a Triggering Event that arises as a result of the exercise of a Special Option, and (ii) following the exercise of a Special Option. Each Triggering Event Notice shall include the number of Pre-emptive Right Securities which the Holder shall be entitled to purchase as a result of the applicable Triggering Event, a calculation demonstrating how such number was determined, the Triggering Event Price (if known at the time of the Triggering Event Notice and otherwise a good faith estimate of the range of the anticipated Triggering Event Price, which estimate shall not be conclusive of the final amount), the anticipated Triggering Event Closing Date and the terms and conditions of the Pre-emptive Right Securities, if other than Common Shares. The Company shall also give the Holder notice as promptly as practicable following the grant of a Special Option.

(d) Subject to the provisions of this Agreement, the Pre-emptive Right shall, in each instance, be exercisable by the Holder at any time during a period of 15 Business Days following receipt of a Triggering Event Notice in accordance with Section 9.1(c) (or, in the case of a Triggering Event Notice relating to a “bought deal” offering, during a period of 5 Business Days following receipt of such Triggering Event Notice). During the period set forth in the preceding sentence, if the Holder wishes to exercise the Pre-emptive Right, the Holder shall deliver an irrevocable notice (an “**Exercise Notice**”) in writing addressed to the Company confirming that it wishes to exercise the Pre-emptive Right in respect of such Triggering Event, specifying the number of Pre-emptive Right Securities that it shall purchase and the member(s) of the Archerwill Group to which such Pre-emptive Right Securities are to be issued, if other than the Holder (it being understood and agreed that any Exercise Notice shall also be unconditional, except that the Holder may condition the exercise of its Pre-emptive Rights on the consummation of the applicable Triggering Event). Provided that the Company has provided the Holder with the Triggering Event Notice in compliance with all of the requirements of this Debenture, if the Company does not receive an Exercise Notice in respect of a Triggering Event Notice within the applicable period set out above, the Holder shall be deemed to have not exercised the Pre-emptive Right in respect of the Triggering Event to which such Triggering Event Notice relates and the Pre-emptive Right shall be deemed to have expired in respect of such Triggering Event.

(e) Subject to applicable Law, the Pre-emptive Right Closing of the issue of the Pre-emptive Right Securities shall occur on the Triggering Event Closing Date or such later date as the Parties may agree upon, subject to extension to obtain any required regulatory approval.

Section 9.2 Exercise of Pre-emptive Rights.

(a) Each of the Parties shall use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done as promptly as practicable, all things necessary, proper or advisable under applicable Law to consummate and make effective the transactions contemplated by this Article 9 –, including obtaining any governmental, regulatory, stock exchange or other consents, transfers, orders, qualifications, waivers, authorizations, exemptions and approvals, providing all notices and making all registrations, filings and applications necessary or desirable for the consummation of the transactions contemplated by this Article 9 –, including any filings with Governmental Authorities. The Company shall forthwith notify the Holder if as a condition of obtaining any applicable regulatory approvals, including securities regulatory and stock exchange approval, the purchase price must be an amount greater than the Triggering Event Price and shall keep the Holder fully informed and allow the Holder to participate in any communications with such securities regulator or stock exchange regarding the exercise of the Holder’s rights under this Article 9 –.

(b) The obligation of the Company to consummate a purchase of Pre-emptive Right Securities under this Article 9 – is subject to the fulfilment, prior to or at the applicable closing date, of each of the following conditions, any of which may be waived by the Company in writing:

(i) there shall not be in effect any Order which prohibits the consummation of the transactions contemplated by this Article 9 – nor shall there be any pending Claim seeking to prohibit the consummation of the transactions contemplated by this Article 9 –;

(ii) no applicable Law shall have been enacted or announced which prohibits the consummation of the transactions contemplated by this Article 9 – or makes such consummation illegal;

(iii) the closing of the issue and sale of the securities constituting the Triggering Event, which shall have occurred prior to, or which shall occur concurrently with, the Pre-emptive Right Closing;

(iv) any member of the Archerwill Group purchasing securities shall execute a subscription or purchase agreement, if any, which in the case of a purchase of Pre-emptive Right Securities shall be substantially in the same form as the agreements being entered into by the other participants in such Triggering Event; and

(v) any stock exchange upon which the Common Shares are then listed, shall have conditionally approved or approved the issue and sale of such securities.

(c) The obligation of the Holder and/or its designee to consummate a purchase of Pre-emptive Right Securities under this Article 9 – is subject to the fulfilment, prior to or at the applicable closing, of each of the following conditions, any of which may be waived by the Holder and/or its designee in writing:

(i) there shall not be in effect any Order which prohibits the consummation of the transactions contemplated by this Article 9 –, nor shall there be any pending Claim seeking to prohibit the consummation of the transactions contemplated by this Article 9 –;

(ii) no applicable Law shall have been enacted or announced which prohibits the consummation of the transactions contemplated by this Article 9 – or makes such consummation illegal;

(iii) the closing of the issue and sale of the securities constituting the Triggering Event, which shall have occurred prior to, or which shall occur concurrently with, the Pre-emptive Right Closing; and

(iv) any stock exchange upon which the Common Shares are then listed, shall have conditionally approved or approved the issue and sale of such securities.

(d) At or prior to the closing of any issuance of securities to the Archerwill Group under this Article 9 –:

(i) the Company shall deliver, or cause to be delivered, to the Holder the applicable securities registered in the name of or otherwise credited to the Holder or such member of the Archerwill Group as is designated in writing by it;

(ii) the Holder shall deliver or cause to be delivered to the Company payment of the applicable purchase price by wire transfer of immediately available funds to such account or accounts designated by the Company; and

(iii) the Parties shall deliver any documents required to evidence the requirements set out in Section 9.2(b) and Section 9.2(c).

Section 9.3 No Obligations Unless Pre-emptive Right. Nothing herein contained or done pursuant hereto shall obligate the Holder to purchase or pay for, or shall obligate the Company to issue, the Pre-emptive Right Securities except upon the exercise by the Holder of the Pre-emptive Right in accordance with the provisions of this Article 9 – and compliance with all other conditions precedent to such issue and purchase contained in this Article 9 –.

Section 9.4 No Rights as Holder of Pre-emptive Right Securities. The Holder shall not have any rights whatsoever as a holder of any of the Pre-emptive Right Securities (including any right to receive dividends or other distributions therefrom or thereon) until the Holder shall have acquired the Pre-emptive Right Securities.

Section 9.5 Survival of Pre-Emptive Rights. The rights of the Holder under this Article 9 – shall survive the release and discharge of the Company’s obligations of this Debenture pursuant to Section 13.5 if at such time the Holder maintains the Ownership Threshold and shall continue to survive until the Holder no longer maintains the Ownership Threshold, at which point such rights shall terminate.

ARTICLE 10 – INFORMATION RIGHTS; INSPECTION RIGHTS

Section 10.1 Annual and Quarterly Financial Information. Subject to Section 10.4 and to the Ownership Threshold, the Company agrees that, with respect to any fiscal quarter or fiscal year, the Company shall deliver to the Holder as promptly as practicable: (a) any Board and Audit Package relating to the Company’s financial statements and management’s discussion and analysis (“**MD&A**”), (b) the version of the Company’s financial statements and MD&A that are approved by the Company Board or the Company Audit Committee for any fiscal quarter or fiscal year, including, in the case of audited annual financial statements, upon receiving the written consent of the Company’s independent certified public accountant, which the Company shall use its reasonable best efforts to obtain, the opinion on the audited annual financial statements by the Company’s independent certified public accountants, and (c) copies of all presentations, materials or other written information provided to the Company Board and any committee thereof (including the Company Audit Committee).

Section 10.2 Additional Information Rights. Subject to Section 10.4 and to the Ownership Threshold, the Company shall:

(a) deliver to the Holder monthly, unaudited, internal financial reports or statements for the Company prepared for distribution to the Company Board, within fifteen Business Days of the end of each full calendar month;

(b) prior to the end of each fiscal year and in any case within five Business Days of its or their approval by the Company Board, deliver to the Holder the annual operating budget, prepared for approval by the Company Board from time to time, including a forecast of the Company’s revenues, expenses and cash position on a month-to-month basis, and any revisions to the annual budget throughout the year; and

(c) promptly following the end of each full calendar quarter, deliver to the Holder an up-to-date capitalization table, including a schedule of securities outstanding or issuable at the end of such full quarter.

Section 10.3 Inspection Rights. Subject to Section 10.4 and to the Ownership Threshold, the Company shall provide the Holder and its Representatives with access upon notice during normal business hours, to the Company's and its Subsidiaries' books and records and personnel, including executive management, so that the Holder may conduct reasonable inspections, investigations and audits relating to the information provided by the Company pursuant to this Article 10 – or such other reasonable business purposes.

Section 10.4 Confidentiality.

(a) During the term of this Debenture and thereafter for a period commencing on the expiry of the rights of the Holder under this Section 10.4 as a result of the Holder not maintaining the Ownership Threshold either while this Debenture is outstanding or during the survival of this Article 10 – pursuant to Section 10.5 and ending on the one-year anniversary thereof:

(i) the Holder shall, and shall cause its Affiliates and its and their respective Representatives, to hold the Confidential Information in confidence, and shall not, directly or indirectly, disclose, reveal, divulge or communicate to any Person, other than its Representatives or its Affiliates who reasonably need to know such information in providing services to such Recipient, any Confidential Information without the prior written consent of the Company. If any disclosures are made in connection with providing services to the Holder under this Debenture, then the Confidential Information so disclosed shall be disclosed solely to the extent necessary to perform such services. The Holder shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of Confidential Information by any of their Representatives as they currently use for their own confidential information of a like nature, but in no event less than a reasonable standard of care;

(ii) notwithstanding anything to the contrary set forth in this Section 10.4, no consent of the Company shall be required for the Holder to disclose Confidential Information of the Company if such disclosure is required by applicable Law or the failure to disclose such Confidential Information would be inconsistent with the fiduciary duties of the board of directors of the Holder, including, for greater certainty, the rules of any stock exchange upon which securities of the Holder or any of its Affiliates are traded and any requirement to disclose information to any taxation authority; provided that the Holder shall use commercially reasonable efforts to give prior written notice to the Company and a reasonable opportunity for the Company to review and comment on the requisite disclosure before it is made. Further, in the event the Holder is requested or required (including by interrogatories, subpoena or similar process) to disclose any Confidential Information of the Company, the Holder shall provide the Company with prompt written notice of such request (if legally permitted) so the Company may consider whether it wishes to seek an appropriate protective order. In the absence of a protective order, the Holder shall disclose only such Confidential Information as is legally required and shall use commercially reasonable efforts to ensure the confidentiality of any such Confidential Information that is disclosed; and

(iii) upon demand by the Company upon the termination of the Holder's rights under this Article 10 –, the Holder agrees, to the extent practicable, to promptly return or destroy, at the Company's option, all tangible embodiments of Confidential Information and certify to such return or destruction in writing.

(b) To the extent that any of the information or documents furnished or otherwise made available pursuant to this Debenture constitutes information or documents that may be subject to an solicitor-client privilege or protection (including solicitor-client privilege, solicitor work-product protections and confidentiality protections) or any other applicable privilege or protection concerning pending or threatened Claims, the Parties understand and agree that they have a commonality of interest with respect to such matters and it is their desire, intention and mutual understanding that the sharing of such material and information is not intended to, and shall not, waive or diminish in any way the confidentiality of such material or information or its continued protection under such privileges and protections.

Section 10.5 Survival of Information Rights. The rights of the Holder under this Article 10 – shall survive the release and discharge of the Company’s obligations of this Debenture pursuant to Section 13.5 if at such time the Holder maintains the Ownership Threshold and shall continue to survive until the Holder no longer maintains the Ownership Threshold, at which point such rights shall terminate.

ARTICLE 11 – EVENTS OF DEFAULT

Section 11.1 Events of Default.

(a) Any of the following shall constitute an Event of Default under this Debenture (each an “**Event of Default**”):

- (i) if a default occurs in payment of the Principal Amount under this Debenture;
- (ii) if a default occurs in payment of any interest or other Obligations payable under this Debenture and it remains unremedied for 5 days;
- (iii) if the Company fails to perform, observe or comply with any of the covenants contained in Section 7.1 or Section 7.2, and such failure remains unremedied for 15 days;
- (iv) if the Company or the Subsidiaries, as applicable, fails to perform, observe or comply with any term, covenant, condition, obligation or agreement of the Company contained in this Debenture, the Subscription Agreement or any other Security Document or is otherwise in default of any of the provisions contained herein (other than referred in paragraphs (i), (ii) and (iii) of this Section 11.1) and such default, if capable of being remedied, is not remedied within 15 days after the Company receives written notice of such default from the Holder;
- (v) if any representation or warranty made or deemed to be made by the Company or the Subsidiaries in this Debenture, the Subscription Agreement or any other Security Document, as applicable, or in any certificate, statement or report furnished in connection therewith is found to be false or incorrect in any material respect (disregarding, for such purposes, any reference to materiality in the applicable representation or warranty) and such representation or warranty remains false or incorrect in any material respect more than 15 days after the earlier of (i) knowledge thereof by the Company; or (ii) notice thereof has been given by the Holder to the Company;
- (vi) if the Company shall generally fail to pay, or admit in writing its inability or unwillingness to pay, debts as they become due or if a decree or order of a court having jurisdiction is entered adjudging the Company a bankrupt or insolvent;

(vii) if the Company shall apply for, consent to or acquiesce in the appointment of a trustee, receiver, or other custodian for the Company or for a substantial part of the property thereof, or make a general assignment for the benefit of creditors;

(viii) if the Company shall in the absence of such application, consent or acquiescence, become subject to the appointment of a trustee, receiver, or other custodian for the Company or for a substantial part of the property thereof, or have a distress, execution, attachment, sequestration or other legal process levied or enforced on or against a substantial part of the property of the Company;

(ix) if the Company shall permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Company and, if any such case or proceeding is not commenced by the Company, such case or proceeding, if contested by the Company is not dismissed within 30 days;

(x) any other notes, debentures, bonds or other indebtedness for money borrowed having an aggregate principal amount equal to or greater than \$1,000,000 (or its equivalent in any other currency or currencies determined at the then current exchange rate) (hereinafter called "**Indebtedness**") of the Company shall become prematurely repayable following default, or steps are taken to enforce any security therefor, or the Company defaults in the repayment of any such Indebtedness at the maturity thereof or (in the case of Indebtedness due on demand) on demand, or, in either case, at the expiration of any applicable grace period therefor, (if any) or any guarantee of or indemnity in respect of any Indebtedness of others given by the Company shall not be honored when due and called upon;

(xi) if the Company or any of its Subsidiaries commits a material breach or material default under the terms of any Material Lease, or an event has occurred or circumstances exist which, with the delivery of notice, passage of time or both, would constitute a material breach or material default under a Material Lease or would permit the termination, early termination, or acceleration of the Material Lease, including the performance, breach or enforcement of any of the material terms thereof, or any early repayment or penalty payments by the Company or its Subsidiaries under such Material Lease;

(xii) if any of the Company or the Subsidiaries has any of its licences, authorizations, approvals, or registrations issued under the Cannabis Act or the *Excise Act, 2001* suspended or revoked;

(xiii) if any persons occupying any of the prescribed roles under the Cannabis Act necessary for the Company or the Subsidiaries to maintain their licences, authorizations, approvals, or registrations under the Cannabis Act have their security clearance suspended or revoked, and (A) such clearances are not reinstated within 15 days of such suspension or revocation; or (B) suitable alternate persons with necessary security clearances are not presently engaged by the Company or the Subsidiaries, as applicable, or are not engaged within 15 days of such suspension or revocation;

(xiv) if any persons occupying any of the prescribed roles under the Cannabis Act necessary for the Company or the Subsidiaries to maintain their licenses, authorizations, approvals, or registrations under the Cannabis Act leave or are removed from such roles and are not reinstated or replaced in a manner that ensures such licences, authorizations, approvals and registrations will remain in good standing at all times;

(xv) if the Cannabis Act is repealed and not immediately replaced with legislation to the effect that Canada continues to be a Non-Medical Cannabis Jurisdiction;

(xvi) if a cease trade order is imposed on the Common Shares and lasts for more than five trading days; or

(xvii) if a Material Adverse Change has occurred.

(b) In the case of the occurrence of an Event of Default, the Company must deliver to the Holder the notice prescribed in Section 7.1(g); provided, that, in the case of the occurrence of an Event of Default, the Holder may deliver a written notice to the Company specifying in reasonable detail the basis for the Event of Default.

(c) After the delivery of a notice described in Section 11.1(b), in the case of the occurrence of an Event of Default described in Section 11.1(a)(i) to Section 11.1(vi) or Section 11.1(a)(x) to Section 11.1(a)(xvii), if the Event of Default specified in such notice has not been cured on or before the date that is seven days following receipt of such notice by the Holder or the Company, as applicable:

(i) the aggregate unconverted and outstanding Principal Amount shall immediately bear interest at a rate of 12.00% per annum, from the date of such Event of Default to but excluding the earlier of (i) the date no Event of Default exists, and (ii) the Maturity Date, compounded annually, subject to the Holder's rights under Section 11.1(c)(ii); and

(ii) for so long as an Event of Default is continuing, the Holder may, at any time, declare the Principal Amount then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the entire amount of interest payable on such Principal Amount in accordance with Section 3.2(a) to the Maturity Date shall immediately accrue (which interest for greater certainty shall accrue bearing interest at a rate of 12.00% per annum, from the date of such Event of Default to, but excluding, the Maturity Date, compounded annually) and, the Holder shall, in its sole discretion, have the right to elect for such Principal Amount so declared to be due and payable (or any part thereof), together with accrued interest thereon (on any part thereof) and all fees and other obligations of the Company accrued hereunder, to become due and payable in cash immediately, without presentment, demand, protest or other notice of any kind except as set out earlier in this paragraph, all of which are hereby waived by the Company, or to be converted into Common Shares at the Conversion Price in accordance with Section 4.2(c).

(d) In the case of the occurrence of an Event of Default described in Section 11.1(a)(vi) to Section 11.1(a)(ix), immediately upon the occurrence of such Event of Default:

(i) the aggregate unconverted and outstanding Principal Amount shall immediately bear interest at a rate of 12.00% per annum, from the date of such Event of Default to but excluding the earlier of (i) the date no Event of Default exists, and (ii) the Maturity Date, compounded annually, subject to the Holder's rights under Section 11.1(d)(ii);

(ii) for so long as the Event of Default is continuing, the entire amount of interest payable in accordance with Section 3.2(a) to the Maturity Date shall immediately accrue (which interest for greater certainty shall accrue bearing interest at a rate of 12.00% per annum, from the date of such Event of Default to, but excluding, the Maturity Date, compounded annually) and, the Holder shall, in its sole discretion, have the right to elect for such accrued interest to become

immediately due and payable in cash or be converted into Common Shares at the Conversion Price in accordance with Section 4.2(c); and

(iii) the Principal Amount then outstanding, together with accrued interest thereon and all fees and other obligations of the Company accrued hereunder shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company.

Section 11.2 Remedies Not Exclusive. No right, power or remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other right, power or remedy or remedies, and each and every right, power and remedy shall, to the extent permitted by applicable Laws, be cumulative and shall be in addition to every other right, power or remedy given hereunder or now or hereafter existing at law, in equity or by statute. The Holder shall have the power to waive any Event of Default, provided such waiver is obtained in accordance with Section 13.3, and shall not constitute a waiver of any other or subsequent Event of Default. No delay or omission of the Holder in the exercise of any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every right, power and remedy given to the Holder by this Debenture or under applicable Laws may be exercised from time to time and as often as may be deemed expedient by the Holder. In case the Holder shall have proceeded to enforce any right under this Debenture and the proceedings for the enforcement thereof shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Holder, then and in every such case, the Company and the Holder shall, without any further action hereunder, to the full extent permitted by applicable Laws, subject to any determination in such proceedings, severally and respectively, be restored to their former positions and rights hereunder and thereafter all rights, remedies and powers of the Holder shall continue as though no such proceeding had been taken.

Section 11.3 Application of Monies. Subject to applicable Laws, all monies collected or received by the Holder pursuant to or in exercise of any right or remedy shall be applied on account of the amounts outstanding hereunder in such manner as the Holder deems best or, at the option of the Holder, or released to the Company, all without prejudice to the liability of the Company or the rights of the Holder hereunder, and any surplus shall be accounted for as required by applicable Laws.

ARTICLE 12 – MUTILATION, LOSS, THEFT OR DESTRUCTION OF DEBENTURE CERTIFICATE

In case this Debenture certificate shall become mutilated or be lost, stolen or destroyed, the Company, shall issue and deliver, a new replacement debenture certificate upon surrender and cancellation of the mutilated Debenture certificate or, in the case of a lost, stolen or destroyed Debenture certificate, in lieu of and in substitution for the same. In the case of loss, theft or destruction, the applicant for a substituted debenture certificate shall furnish to the Company such evidence of the loss, theft or destruction of the Debenture certificate as shall be satisfactory to the Company in its discretion and shall also furnish an indemnity and surety bond satisfactory to the Company in its discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted debenture certificate.

ARTICLE 13 – GENERAL

Section 13.1 Interest under *Criminal Code* (Canada). If any provision of this Debenture would obligate the Company or any Subsidiary to make any payment of interest or other amount payable to the Holder in an amount or calculated at a rate which would be prohibited by applicable Law or would result in a receipt by the Holder of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been

adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable Law or so result in a receipt by the Holder of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: firstly, by reducing the amount or rate of interest required to be paid to the Holder under this Debenture, and thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Holder which would constitute “interest” for purposes of Section 347 of the *Criminal Code* (Canada).

Section 13.2 Notices. All demands, notices, directions and other communications given or made hereunder by the Company to the Holder or the Holder to the Company shall, unless otherwise specified herein, be in writing and shall be deemed to have been duly given or made on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day (or otherwise on the next succeeding Business Day) if (a) served by personal delivery or by an internationally recognized overnight courier service upon the party or parties for whom it is intended, (b) delivered by registered or certified mail, return receipt requested or (c) sent by email; provided that the email transmission is promptly confirmed by telephone or otherwise or clearly evidenced. Such communications must be sent to the respective Parties at the following street addresses, email addresses or at such other street address, email address for the Company or the Holder (as the case may be) as shall be specified for such purpose in a notice given in accordance with this Section 13.2 (it being understood that rejection or other refusal to accept or the inability to deliver because of changed street address or email address of which no notice was given shall be deemed to be receipt of such communication as of the date of such rejection, refusal or inability to deliver):

If to the Company:

Canada House Cannabis Group Inc.
1773 Bayly Street
Pickering, Ontario L1W 2Y7
Attention: Chris Churchill-Smith, Chief Executive Officer
Telephone: <redacted - confidential information>
Email: <redacted - confidential information>

with a copy (which shall not constitute notice) to:

Caravel Law
342 Queen Street West, Suite 200
Toronto, Ontario M5V 2A2
Attention: Jeffrey D. Klam
Telephone: <redacted - confidential information>
Email: <redacted - confidential information>

If to the Holder:

Archerwill Investments Inc.
3 Brookfield Road
Toronto, Ontario M2P 1B1
Attention: Irvine Weitzman
Telephone: <redacted - confidential information>
Email: <redacted - confidential information>

and with a copy (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000
Toronto, Ontario M5L 1A9
Attention: Jake Gilbert
Telephone: <redacted - confidential information>
Email: <redacted - confidential information>

Section 13.3 Expenses. Except as provided in the Subscription Agreement, all costs, fees and expenses incurred in connection with this Debenture and the transactions contemplated by this Debenture shall be paid by the party incurring such cost, fee or expense.

Section 13.4 Registration of Debentures. The Company shall cause to be kept at the head office of the Company a register in which shall be entered the name and latest known address of the Holder and any other holders of Debentures. Such register shall at all reasonable times during regular business hours of the Company be open for inspection by the Holder and any such holder. The Company shall not be charged with notice of or be bound to see to the performance of any trust, whether express, implied, or constructive, in respect of this Debenture and may act on the direction of the Holder, whether named as trustee or otherwise, as though the Holder were the beneficial owner of this Debenture.

Section 13.5 Release and Discharge. If the Holder exercises all conversion rights attached to this Debenture pursuant to Article 5 – hereof or if the Company pays all of the Obligations in full to the Holder, the Holder shall release this Debenture and the Company shall be, and shall be deemed to have, discharged of all its obligations under this Debenture.

Section 13.6 Severability. The provisions of this Debenture shall be deemed severable and the illegality, invalidity or unenforceability of any provision shall not affect the legality, validity or enforceability of the other provisions of this Debenture. If any provision of this Debenture, or the application of such provision to any Person or any circumstance, is illegal, invalid or unenforceable, (a) a suitable and equitable provision to be negotiated by the Company and the Holder, each acting reasonably and in good faith shall be substituted therefor in order to carry out, so far as may be legal, valid and enforceable, the intent and purpose of such legal, invalid or unenforceable provision, and (b) the remainder of this Debenture and the application of such provision to other Persons or circumstances shall not be affected by such illegality, invalidity or unenforceability, nor shall such illegality, invalidity or unenforceability affect the legality, validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

Section 13.7 Entire Agreement.

(a) This Debenture (including the Schedules), the Subscription Agreement and the Transaction Documents, constitute the entire agreement between the Company and the Holder with respect to the subject matter hereof and thereof and supersede all other prior and contemporaneous agreements, negotiations, understandings, representations and warranties, whether oral or written, with respect to such matters.

(b) Except for the express written representations and warranties made by the Company in this Debenture, the Subscription Agreement or in any Transaction Document, neither the Company nor any other Person makes any express or implied representation or warranty with respect to the Company or any of its Subsidiaries or any of their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects in connection with this Debenture or the transactions contemplated by this Debenture, and the Company expressly disclaims any such other representations or warranties and the

Holder acknowledges and agrees that it has relied solely on the results of its and its Subsidiaries' and its and their respective Representatives' independent investigations, and none of the Holder, any of its Affiliates or any of its or their respective Representatives has relied on and none are relying on any representations or warranties regarding the Company or any of its Subsidiaries or any of its or their respective Representatives, other than the express written representations and warranties expressly set forth in this Debenture and in any instrument or other document delivered pursuant to this Debenture, the Subscription Agreement or any of the Transaction Documents; provided, however, that notwithstanding anything to the contrary set forth in the foregoing provisions of this Section 13.7, nothing in this Section 13.7 shall limit the Holder's remedies with respect to claims of fraud in connection with, arising out of or otherwise related to the express written representations and warranties made by the Company in this Debenture and in any instrument or other document delivered pursuant to this Debenture or any Intentional Breach of any representation, warranty, agreement or covenant in this Debenture.

Section 13.8 Successors and Assigns. This Debenture shall be binding upon and inure to the benefit of the Company and the Holder and their respective successors, legal representatives and permitted assigns.

Section 13.9 Transfer of Debenture. No transfer of this Debenture shall be valid unless made in accordance with applicable Laws, including all applicable Canadian Securities Laws. If the Holder intends to transfer this Debenture or any portion thereof, it shall deliver to the Company the transfer form attached to this Debenture as Schedule D, duly executed by the Holder. Upon compliance with the foregoing conditions and the surrender by the Holder of this Debenture, the Company shall execute and deliver to the applicable transferee a new Debenture registered in the name of the transferee. If less than the full Principal Amount of this Debenture is transferred, the Holder shall be entitled to receive, in the same manner, a new Debenture registered in its name evidencing the portion of the Principal Amount of this Debenture not so transferred. Prior to registration of any transfer of this Debenture, the Holder and the applicable transferee shall be required to provide the Company with necessary information and documents, including certificates and statutory declarations, as may be required to be filed under applicable Laws.

Section 13.10 Amendment or Other Modification; Waiver.

(a) Subject to the provisions of applicable Law, this Debenture may be amended or otherwise modified only by a written instrument duly executed and delivered by the Company and the Holder.

(b) The conditions to each of the Company's and the Holder's respective obligations to consummate the transactions contemplated by this Debenture are for the sole benefit of the Company and the Holder (as the case may be) and may be waived by the Company and the Holder (as the case may be) in whole or in part to the extent permitted by applicable Law; provided, however, that any such waiver shall only be effective if made in a written instrument duly executed and delivered by the party against whom the waiver is to be effective. No failure or delay by the Company or the Holder in exercising any right, power or privilege hereunder or under applicable Law shall operate as a waiver of such rights and, except as otherwise expressly provided herein, no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 13.11 Governing Law and Venue; Submission to Jurisdiction; Selection of Forum; Waiver by Trial by Jury.

(a) This Debenture shall be in all respects governed by and construed and interpreted in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein, without regard to the conflicts of laws provisions, rules or principles thereof (or any other jurisdiction) to the extent that such provisions, rules or principles would direct a matter to another jurisdiction.

(b) The Company and the Holder agree that: (i) it shall bring any Claim in connection with, arising out of or otherwise relating to this Debenture, any instrument or other document delivered pursuant to Debenture or the transactions contemplated by this Debenture exclusively in the Chosen Court; and (ii) solely in connection with such Claims, (A) irrevocably and unconditionally submits to the exclusive jurisdiction of the Chosen Court, (B) irrevocably waives any objection to the laying of venue in any such Claim in the Chosen Court, (C) irrevocably waives any objection that the Chosen Court is an inconvenient forum or does not have jurisdiction over the Company or the Holder, (D) agree that mailing of process or other papers in connection with any such Claim in the manner provided in Section 13.2 or in such other manner as may be permitted by applicable Law shall be valid and sufficient service thereof and (E) it shall not assert as a defense any matter or Claim waived by the foregoing clauses (A) through (D) of this Section 13.11(b) or that any Order issued by the Chosen Court may not be enforced in or by the Chosen Court.

(c) The Company and the Holder acknowledge and agree that any controversy which may be connected with, arise out of or otherwise relate to this Debenture, any instrument or other document delivered pursuant to this Debenture or the transactions contemplated by this Debenture is expected to involve complicated and difficult issues, and therefore the Company and the Holder irrevocably and unconditionally waive to the fullest extent permitted by applicable Law any right it may have to a trial by jury with respect to any Claim, directly or indirectly, connected with, arising out of or otherwise relating to this Debenture, any instrument or other document delivered pursuant to this Debenture or the transactions contemplated by this Debenture. The Company and the Holder hereby acknowledge and certify that (i) no Representative of the other has represented, expressly or otherwise, that the other would not, in the event of any Claim, seek to enforce the foregoing waiver, (ii) it understands and has considered the implications of this waiver, (iii) it makes this waiver voluntarily and (iv) it has been induced to enter into this Debenture and the transactions contemplated by this Debenture by, among other things, the mutual waivers, acknowledgments and certifications set forth in this Section 13.11(c).

Section 13.12 Injunctive Relief. The Company and the Holder acknowledge and agree that the rights of each to consummate the transactions contemplated by this Debenture are special, unique and of extraordinary character and that if for any reason any of the provisions of this Debenture are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or damage would be caused for which money damages would not be an adequate remedy. Accordingly, the Company and the Holder agree that, subject to Section 13.7(b) in addition to any other available remedies the Company or the Holder may have in equity or at law, each shall be entitled to enforce specifically the terms and provisions of this Debenture and to obtain an injunction restraining any breach or violation or threatened breach or violation of the provisions of this Debenture, consistent with the provisions of Section 13.11(b) in the Chosen Court without necessity of posting a bond or other form of security. In the event that any Claim should be brought in equity to enforce the provisions of this Debenture, no party shall allege, and each party hereby waives the defense, that there is an adequate remedy at law.

Section 13.13 Further Assurances. Each of the Company and the Holder shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as may reasonably be required to carry out the provisions of this Debenture and to give effect to the transactions contemplated by this Debenture.

Section 13.14 Counterparts. This Debenture may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Debenture by electronic transmission, including in portable document format (.pdf), shall be deemed as effective as delivery of an original executed counterpart of this Debenture.

SCHEDULE B
SUBSIDIARY SECURITY AGREEMENTS

SCHEDULE C

CONVERSION NOTICE

TO: CANADA HOUSE CANNABIS GROUP INC. (the “Company”)

Pursuant to the 8.00% Secured Convertible Debenture (the “**Debenture**”) of the Company issued to the undersigned on August 5, 2020, as amended and restated, the undersigned hereby notifies you that \$_____ of [**the principal amount outstanding under the Debenture**] [**and**] [**\$_____ of the accrued and unpaid interest owing under the Debenture**] shall be converted into Common Shares of the Company in accordance with the terms of the Debenture on _____ [**DATE**].

The certificates representing the Common Shares to be issued shall be registered as follows:

Name	Address for Delivery	# of Common Shares

SIGNED by the above named

(Print name as name is to appear on Share Certificate)

DATED this ____ day of _____ [**DATE**].

[**NAME**]

By: _____

Name:

Title:

SCHEDULE D

TRANSFER FORM

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to:

(Name)

(Address)

(the “**Transferee**”), of \$ _____ principal amount of 8.00% Secured Convertible Debenture of Canada House Cannabis Group Inc. issued on August 5, 2020, as amended and restated, registered in the name of the undersigned on the register of Debentures represented by the attached Debenture, and irrevocably appoints _____ as the attorney of the undersigned to transfer to the Transferee the said principal amount of the Debenture on the books or register of transfer, with full power of substitution.

DATED the ____ day of _____, ____.

[NAME]

By: _____

Name:

Title:

Note to Holder: In order to transfer the Debenture, this transfer form must be delivered to Canada House Cannabis Group Inc.