

CANADA HOUSE WELLNESS GROUP INC.



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS AND
MANAGEMENT INFORMATION CIRCULAR**

**IN RESPECT OF AN ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF
CANADA HOUSE WELLNESS GROUP INC.
TO BE HELD ON AUGUST 23, 2022**

Dated as of July 22, 2022

These materials are important and require your immediate attention. The shareholders of Canada House Wellness Group Inc. are required to make important decisions. If you have questions as to how to deal with these documents or the matters to which they refer, please contact your financial, legal or other professional advisor.

**If you have any questions or require further information with regard to voting your shares or completing your transmitted documentation, please contact Computershare Investor Services Inc., our transfer agent,
toll free within North America at 1-800-564-6253
or by e- mail at service@computershare.com.**

CANADA HOUSE WELLNESS GROUP INC.

Notice of Annual General and Special Meeting of Shareholders

Notice is hereby given (the “**Notice**”) that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Canada House Wellness Group Inc. (“**Canada House**” or the “**Corporation**”) will be held on Tuesday, August 23, 2022 at 2:00 p.m (Eastern time) as a hybrid meeting with a physical location at the offices of Dentons Canada LLP, 1 Place Ville Marie 38th Floor, Montreal, Quebec H3B 4M7 in the Byers Boardroom and the option to participate virtually, via live webcast at meetnow.global/M2QVZMP.

Out of an abundance of caution, to proactively deal with the public health impact of the COVID-19 pandemic, and to mitigate the risks to the health and safety of the Corporation’s communities, shareholders, employees and other stakeholders, the Corporation will be holding the Meeting in a hybrid format. The Meeting will have a physical meeting location (at the offices of Dentons Canada LLP, 1 Place Ville Marie 38th Floor, Montreal, Quebec H3B 4M7 in the Byers Boardroom) and will permit in-person attendance (subject to compliance with all public health orders and protocols), but the Meeting will also permit registered shareholders and duly appointed proxyholders to participate virtually via live webcast online at meetnow.global/M2QVZMP. During the live webcast, shareholders will be able to hear the Meeting live, and registered shareholders and duly appointed and registered proxyholders will be able to submit questions and vote while the Meeting is being held. The Corporation intends that hosting a hybrid Meeting will enable greater participation by Shareholders by allowing Shareholders who might not otherwise be able to travel to a physical meeting to attend online, while minimizing the health risk that may be associated with large gatherings. The accompanying management proxy circular (the “**Circular**”) provides important and detailed instructions about how to participate at the Meeting.

Virtual attendance at the Meeting will be in real time through an online portal available at meetnow.global/M2QVZMP, provided that Shareholders are connected to the internet and carefully follow the instructions set out in the Circular. Non-Registered shareholders who do not follow the procedures set out in the Circular will be able to listen to the live webcast of the Meeting as guests and will also be able to ask questions, but will not be able to vote. The Circular provides important and detailed instructions about how to participate virtually at the Meeting.

The Corporation intends to follow all applicable guidelines for maximum number of attendees permitted in person at the Meeting, applicable proof of vaccination requirements, and masking and physical distancing protocols as prescribed by the Public Health Agency of Canada and applicable provincial and local health authorities in the Province of Quebec to minimize the spread of COVID-19, as such guidelines are applicable as at the date of the Meeting on August 23, 2022. Notwithstanding the foregoing, in order to ensure the safety of our guests attending our in-person Meeting, The Corporation has determined that all in-person attendees will be required to either provide proof of their double vaccination status or proof of their active medical exemption.

The Corporation is continuing to monitor the impact of COVID-19, including the latest federal, provincial and local guidance and legislation, and how this may affect the arrangements for the Meeting. If circumstances change that require us to adapt the proposed arrangements for the Meeting as set out in this Notice of Meeting, the Corporation will advise shareholders through its website at www.canadahouse.ca and, where appropriate, by public announcement.

The Meeting is being held for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended April 30, 2021, and the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to elect two additional directors of the Corporation for the ensuing year, conditional on the completion of the Initial Closing (as defined in the Circular under “*Amendments to Investment Instruments with Archerwill Investments Inc. – Background to the Transaction with Montréal Cannabis Médical Inc.*”);
4. to confirm the appointment of Ernst & Young LLP as auditors of the Corporation and to authorize the board of directors (the “**Board of Directors**”) to fix their remuneration;
5. to consider and, if thought advisable, to pass, with or without variation, by way of vote of the Disinterested Shareholders, an ordinary resolution in the form set forth in the Circular approving the Archerwill Amendments to certain Archerwill Instruments among Archerwill and the Corporation as such capitalized terms are used in the Circular or defined therein under the heading “*Matters to be Acted Upon at the Meeting - Amendments to Investment Instruments with Archerwill Investments Inc.*” (the “**Archerwill Amendments Resolution**”); and

6. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Circular accompanying this Notice of Meeting.

The Archerwill Amendments Resolution must be approved by a majority of the votes cast by Disinterested Shareholders present in person (including Disinterested Shareholders who attend the meeting virtually) or represented by proxy at the Meeting. The remaining items of business on which Shareholders are being asked to vote must be approved by a majority of the votes cast by Shareholders present in person (including Shareholders who attend the meeting virtually) or represented by proxy at the Meeting.

The record date for determining the Shareholders entitled to receive notice of and vote at the Meeting is the close of business on July 19, 2022 (the "**Record Date**"). Only Shareholders whose names have been entered in the applicable register of Shareholders as of 5:00 p.m. (Eastern time) on the Record Date are entitled to receive notice of and vote at the Meeting. Those Shareholders of record will be included in the list of Shareholders prepared as at the Record Date and will be entitled to vote the Common Shares recorded therein at the Meeting.

Shareholders who are unable to attend the hybrid Meeting or any adjournment or postponement thereof are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, such proxy must be received by the Corporation's transfer agent, Computershare Investor Services Inc., by 5:00 p.m. (Eastern time) on August 19, 2022 or two business days prior to the time of the reconvening of any adjournment or postponement of the Meeting.

If you are an unregistered holder of Common Shares and have received these materials through your broker, investment dealer, bank, trust corporation, trustee or other intermediary, please complete and return the form of proxy provided to you by your intermediary in accordance with the instructions provided therein.

If you require any assistance in completing your form of proxy, please contact Computershare Investor Services Inc. by calling toll free within North America at 1-800-564-6253 or by e-mail at service@computershare.com.

DATED at Montreal, Quebec this 22nd day of July, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS OF CANADA HOUSE
WELLNESS GROUP INC.**

(signed) "*Chris Churchill-Smith*"

Chris Churchill-Smith
Chief Executive Officer

CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING INFORMATION

Except for statements of historical fact contained herein, the information presented in this Circular contains certain "forward-looking information" within the meaning of applicable Canadian securities laws concerning the business, operations and financial performance and condition of the Corporation, including its wholly-owned subsidiaries, IsoCanMed Inc., Abba Medix Corp, Canada House Clinics Inc. and 690050 NB Inc. doing business as Knalysis. Often, but not always, forward-looking statements and forward-looking information can be identified by words such as "plans", "potential", "expects", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations, including negative and grammatical variations thereof, that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements or forward-looking information. Whether actual results and developments will conform to the Corporation's expectations and predictions, is subject to a number of risks, uncertainties and assumptions, as well as those discussed in the Corporation's Management Discussion and Analysis. Consequently, all of the forward-looking statements in this Circular are qualified by these cautionary statements or as to the Corporation's ability to enhance Shareholder value through this process.

Shareholders are cautioned not to place undue reliance on forward-looking statements and forward-looking information in this Circular. The Corporation undertakes no obligation to update any of the forward-looking statements or forward-looking information in this Circular, except as otherwise required by law. All of the forward-looking statements made and forward-looking information contained in this Circular are qualified by this cautionary statement.

REPORTING CURRENCIES

All references to "\$" in this Circular refer to Canadian dollars.



CANADA HOUSE WELLNESS GROUP INC.

GENERAL PROXY INFORMATION

1. Date, Time and Place of Meeting

The Meeting will be held on Tuesday, August 23, 2022, at 2:00 p.m. (Eastern time) as a hybrid meeting with a physical location at the offices of Dentons Canada LLP, 1 Place Ville Marie 38th Floor, Montreal, Quebec H3B 4M7 in the **Byers Boardroom** and the option to participate virtually, via live webcast at meetnow.global/M2QVZMP.

Out of an abundance of caution, to proactively deal with the public health impact of the COVID-19 pandemic, and to mitigate the risks to the health and safety of the Corporation's communities, shareholders, employees and other stakeholders, the Corporation will be holding the Meeting in a hybrid format. The Meeting will have a physical meeting location (at the offices of Dentons Canada LLP, 1 Place Ville Marie 38th Floor, Montreal, Quebec H3B 4M7 in the Byers Boardroom) and will permit in-person attendance (subject to compliance with all public health orders and protocols), but the Meeting will also permit registered shareholders and duly appointed proxyholders to participate virtually via live webcast online at meetnow.global/M2QVZMP. During the live webcast, shareholders will be able to hear the Meeting live, and registered shareholders and duly appointed and registered proxyholders will be able to submit questions and vote while the Meeting is being held. The Corporation intends that hosting a hybrid Meeting will enable greater participation by Shareholders by allowing Shareholders who might not otherwise be able to travel to a physical meeting to attend online, while minimizing the health risk that may be associated with large gatherings. The accompanying management proxy circular (the "**Circular**") provides important and detailed instructions about how to participate at the Meeting.

Virtual attendance at the Meeting will be in real time through an online portal available at meetnow.global/M2QVZMP, provided that Shareholders are connected to the internet and carefully follow the instructions set out in the Circular. Non-Registered shareholders who do not follow the procedures set out in the Circular will be able to listen to the live webcast of the Meeting as guests and will also be able to ask questions, but will not be able to vote. The Circular provides important and detailed instructions about how to participate virtually at the Meeting.

The Corporation intends to follow all applicable guidelines for maximum number of attendees permitted in person at the Meeting, applicable proof of vaccination requirements, and masking and physical distancing protocols as prescribed by the Public Health Agency of Canada and applicable provincial and local health authorities in the Province of Quebec to minimize the spread of COVID-19, as such guidelines are applicable as at the date of the Meeting on August 23, 2022. Notwithstanding the foregoing, in order to ensure the safety of our guests attending our in-person Meeting, The Corporation has determined that all in-person attendees will be required to either provide proof of their double vaccination status or proof of their active medical exemption.

The Corporation is continuing to monitor the impact of COVID-19, including the latest federal, provincial and local guidance and legislation, and how this may affect the arrangements for the Meeting. If circumstances change that require us to adapt the proposed arrangements for the Meeting as set out in this Notice of Meeting, the Corporation will advise shareholders through its website at www.canadahouse.ca and, where appropriate, by public announcement.

2. Record Date

Only Registered Shareholders (as defined herein) of the Corporation as of 5:00 p.m. (Eastern time) on the Record Date of July 19, 2022 are entitled to receive notice of and to vote at the Meeting or the reconvening of any adjournment or postponement thereof. The Record Date will remain the same even if the Meeting is adjourned or postponed.

3. Accessing the Online Webcast

Shareholders and duly appointed proxyholders who wish to attend the meeting via the online webcast can do so by going to meetnow.global/M2QVZMP. Registered Shareholders can access the meeting at the above-referenced website by inserting the 15-digit control number located on the form of proxy or in the email notification you received with respect to the Meeting.

Shareholders can also access the meeting by telephone by dialing the following numbers:

US/CANADA Participant Toll-Free Dial-In Number: (833) 303-1194

US/CANADA Participant International Dial-In Number: (914) 987-7410

Shareholders who wish to appoint a third-party proxyholder to represent them at the **meeting must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the meeting.** To register a proxyholder, Shareholders **MUST** visit <https://www.computershare.com/CHWGroup> by 5:00 p.m. (Eastern time) on August 19, 2022 and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Username via email.

It is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences.

In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing a Username.

4. Participating at the Meeting via the Online Webcast

A summary of the information Shareholders will need to attend the online meeting is provided below. The meeting will begin at 2:00 p.m. (Eastern time) on August 23, 2022.

- Registered Shareholders (as defined in this Circular under the heading “*Voting at the Meeting*”) that have a 15-digit control number, along with duly appointed proxyholders who were assigned a Username by Computershare Trust Company of Canada / Computershare Investor Services Inc. (“**Computershare**”) (see details under the heading “Appointment of Proxies”), will be able to vote and submit questions during the meeting. To do so, please go to meetnow.global/M2QVZMP and enter your 15-digit control number. Non-Registered Shareholders (as defined in this Circular under the heading “Non-Registered Shareholders”) who have not appointed themselves to vote at the meeting, may login as a guest, by clicking on “I am a Guest” and complete the online form.
- United States Beneficial holders: To attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1
OR
Email at USLegalProxy@computershare.com

Requests for registration must be labeled as “Legal Proxy” and be received no later than August 19, 2022 by 5:00 p.m. (Eastern time). You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares by going to meetnow.global/M2QVZMP.

- Non-Registered Shareholders who do not have a 15-digit control number or Username will only be able to attend as a guest which allows them listen to the meeting however will not be able to vote or submit questions. Please see the information under the heading “Non-Registered Shareholders” for an explanation of why certain Shareholders may not receive a form of proxy.
- If you are using a 15-digit control number to login to the online meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to

vote by ballot on the matters put forth at the meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest.

- If you are eligible to vote at the meeting, it is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the meeting.

5. Appointment of Proxies

Shareholders who wish to appoint a third-party proxyholder to represent them at the online meeting **must submit their proxy or voting instruction form (if applicable) prior to registering your proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the meeting.** To register a proxyholder, Shareholders MUST visit <https://www.computershare.com/CHWGroup> by (day/time) and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a Username via email.

A proxy can be submitted to Computershare either in person, or by mail or courier, to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or via the internet at www.investorvote.com. The proxy must be deposited with Computershare by no later than 5:00 p.m. (Eastern time) on August 19, 2022, or if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed meeting. If a Shareholder who has submitted a proxy attends the meeting via the webcast and has accepted the terms and conditions when entering the meeting online, any votes cast by such Shareholder on a ballot will be counted and the submitted proxy will be disregarded.

Without a Username, proxyholders will not be able to vote at the meeting.

6. Voting of Common Shares

As of the close of business on July 19, 2022, the Corporation had 683,453,630 Common Shares outstanding, each carrying the right to one vote per share. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote at the Meeting, except special resolutions requiring the approval by a majority of not less than two-thirds of the votes cast by Shareholders who vote in respect of the special resolution.

7. Solicitation of Proxies

The management of the Corporation is using this Circular to solicit proxies from Shareholders for use at the Meeting. All solicitation costs will be borne by the Corporation. Proxies will be solicited primarily by mail, but proxies may also be solicited personally, by telephone or through electronic means (including via the internet, e-mail or facsimile) by directors, officers and employees of the Corporation.

8. Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors or officers of the Corporation. A Shareholder has the right to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the form of proxy provided by the Corporation. To exercise this right, the Shareholder should strike out the name of the management designees in the enclosed form of proxy and insert the name of the desired representative in the blank space provided in the form of proxy or submit another appropriate form of proxy. In order to be effective, a proxy must be received by the Corporation's registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, no later than 5:00 p.m. (Eastern time) on August 19, 2022, or two business days prior to the time of the reconvening of any adjournment or postponement of the Meeting. The proxy must be in writing and executed by the Shareholder, or such Shareholder's attorney authorized in writing, or if such Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney.

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Corporation c/o Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, at any time up to and including 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or the reconvening of any adjournment or postponement of the Meeting or to the chair of the Meeting on the day of the Meeting or the reconvening of any adjournment or postponement of the Meeting. **Only Shareholders who hold Common Shares in certificate form in their name (each such Shareholder shall be hereinafter referred to as a "Registered**

Shareholder”) have the right to revoke a proxy. Beneficial Shareholders (as defined below) who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf in accordance with any requirements of the intermediaries.

9. Proxy Voting

All Common Shares represented at the Meeting by properly completed and executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the proxy, Common Shares represented by the proxy will be voted in accordance with such instructions. Registered Shareholders will also be able to vote by calling a toll-free number or by using the internet, as provided for in the form of proxy. **In the absence of any such instructions, the persons whose names appear on the printed form of proxy will vote in favour of all the matters set out thereon. If any other business or amendments or variations to matters identified in the Notice of Annual General and Special Meeting of Shareholders properly come before the Meeting, then discretionary authority is conferred upon the persons appointed in the proxy to vote in the manner they see fit.**

10. Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a number of Shareholders do not hold Common Shares in their own names (each such Shareholder shall be hereinafter referred to as a "**Beneficial Shareholder**"). Beneficial Shareholders should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of the Intermediary. In Canada, the majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms and other such Intermediaries). Common Shares held by Intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries and their agents and nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co., or of other Intermediaries, are held. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its Intermediary (or the agent of its Intermediary) is similar to the form of proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder (the Intermediary or the agent of the Intermediary) how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form instead of the form of proxy. The Beneficial Shareholder is asked to complete the voting instruction form and return it to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or visit www.proxyvote.com to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the applicable meeting. **A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting. The voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of its Intermediary (or the agent of its Intermediary), a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholders for Registered Shareholders should enter their own names in the blank spaces on the instruments of proxy provided to them and return the same to their Intermediary (or the agent of their Intermediary) in accordance with the instructions provided by such Intermediary (or agent), well in advance of the Meeting.

11. Voting Securities and Principal Holders of Voting Securities

The Corporation is authorized to issue an unlimited number of Common Shares. As at July 19, 2022, there are 683,453,630 Common Shares issued and outstanding, each carrying the right to one vote on all matters to come before the Meeting.

To the knowledge of the directors and executive officers of the Corporation, the following are the only persons who beneficially own or exercise control or direction over, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of outstanding securities of the Corporation entitled to vote at the Meeting:

| Name of Shareholder | Number of Common Shares held ⁽¹⁾ | Percentage of outstanding Common Shares |
|---------------------|---|---|
| Erik Bertacchini | 77,480,745 | 11.33 |
| Renato Bertacchini | 77,480,745 | 11.33 |
| Eric Bouvier | 77,480,745 | 11.33 |
| Mike Southwell | 75,226,791 | 11.00 |

Note:

(1) Per insider reporting filed at www.sedi.ca.

As of the date hereof, the directors and officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 77,833,370 (11.39%) Common Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The audited financial statements of the Corporation for the year ended April 30, 2021 and the report of the auditors thereon will be received at the Meeting. The audited financial statements of the Corporation and the report of the auditors were previously provided to each Shareholder entitled to receive a copy of the Notice and this Circular and who requested a copy of the audited financial statements and the report of the auditors thereon. The financial statements are also available on SEDAR at www.sedar.com.

2. Election of Directors

The Board of Directors is currently composed of six (6) existing directors, all of whom are elected annually. In accordance with the *Canada Business Corporations Act* (the "Act") and the articles of the Corporation, the directors are authorized from time to time to fix the number of directors between a minimum of three (3) and a maximum of nine (9) directors, without the prior consent of the Shareholders. The term of office for each of the present directors of the Corporation expires at the Meeting. All six (6) current directors will be standing for re-election at the Meeting. Accordingly, it is proposed that the six (6) persons named below will be nominated for election at the Meeting. Each director elected will hold office for a term expiring at the next annual meeting of Shareholders of the Corporation, unless a director's office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified (collectively, the "Proposed Directors").

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote at the Meeting FOR the election as directors of the Proposed Directors whose names are set forth below. Management does not contemplate that any of the Proposed Directors will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

In the event that, prior to the Meeting, any vacancies occur in the slate of nominees submitted herein, it is intended that the discretionary power granted by the enclosed form of proxy shall be used by the persons named therein to vote at their discretion for any other person or persons as directors.

The following table and notes thereto set forth the names of all the Proposed Directors to be nominated for election as directors, their positions with the Corporation, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the approximate number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them. The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective Proposed Directors individually.

| Name and municipality of residence | Position with the Corporation | Director Since | Principal occupation for Previous Five Years | Number of Common Shares owned, controlled or directed⁽¹⁾ |
|---|--------------------------------------|-----------------------|--|--|
| Norman Betts ^{(2) (3) (4)} Fredericton, New Brunswick | Director | 2018 | Professor, Faculty of Business Administration, University of New Brunswick | Nil |
| Chris Churchill-Smith Montreal, Quebec | Chief Executive Officer and Director | 2018 | Chief Executive Officer of the Corporation; previously Founder of Axes Capital | 145,000 |
| Shawn Graham Fredericton ^{(2) (4)} New Brunswick | Director | 2019 | President & CEO, G&R Holdings Inc., a company that assists in the development and implementation of international projects and business alliance strategies. | Nil |
| Gaetan Lussier ^{(3) (4)} Ottawa, Ontario | Director | 2019 | Corporate Director | 100,000 |
| Dennis Moir ^{(2) (3) (4)} Toronto, Ontario | Director (Chair of the Board) | 2018 | Corporate Director; previously CFO/COO of CNW Group Ltd. | 9,125 |
| Erik Bertacchini Rosemere, Quebec | Director | 2020 | President, IsoCanMed Inc., a subsidiary of the Corporation | 77,480,745 |

Notes:

(1) Information as to shareholdings, not being within the knowledge of the Corporation has been furnished by the Directors.

(2) Member of the Corporate Governance, Nominations and Compensation Committee. Mr. Shawn Graham is the chair of the Corporate Governance, Nominations and Compensation Committee.

(3) Member of the Audit and Risk Management Committee. Mr. Norman Betts is the chair of the Audit and Risk Management Committee.

(4) Member of the Special Committee (as defined under “*Amendments to Investment Instruments with Archerwill Investments Inc. – Background to the Transaction with Montréal Cannabis Médical Inc.*”).

During the last five years, the Proposed Directors have been engaged in their present principal occupations or in other executive capacities with the companies indicated opposite their names or with related or affiliated companies.

To the knowledge of the Corporation, except as described below, no director of the Corporation or any of the Proposed Directors, are, or have been within the past 10 years, a director or officer of any corporation that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied such corporation access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days, or, while such person was acting in that capacity or within one year thereafter, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Corporation, no director of the Corporation or any of the Proposed Directors, are, or have been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, or has entered into a settlement agreement with a Canadian securities regulatory authority, nor has any director of the Corporation or any of the Proposed Directors been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a Proposed Director.

To the knowledge of the Corporation, except as described below, no director of the Corporation or any of the Proposed Directors, nor any personal holding corporation of any such person, has, within the past 10 years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Mr. Norman Betts was a director of Starfield Resources Inc. when it underwent bankruptcy proceedings under the *Bankruptcy and Insolvency Act* (Canada) in 2013.

Mr. Chris Churchill-Smith was a director of Skyservice Air Ambulance Intl. Inc. when it and its affiliates underwent bankruptcy proceedings under the *Bankruptcy and Insolvency Act* (Canada) in 2022.

3. Election of Directors Conditional on the Completion of the Initial Closing

In addition to the six (6) directors to be elected pursuant to the above item, conditional upon the completion of the Initial Closing (as defined below under “*Amendments to Investment Instruments with Archerwill Investments Inc. – Background to the Transaction with Montréal Cannabis Médical Inc.*”) it is proposed that Mr. Richard Clément and Mr. Michel Clément, each of whom is a significant shareholder, directly or indirectly, and an officer of Montréal Cannabis Médical Inc., are proposed to be appointed to the Board of Directors (the “**Conditional Directors**”), in which case the size of the Board of Directors will be increased to eight (8) directors.

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote at the Meeting FOR the election of the Conditional Directors whose names are set forth below, conditional on the Initial Closing. Management does not contemplate that any of the Conditional Directors will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table and notes thereto set forth the names of the Conditional Directors to be nominated for election as directors conditional on the completion of the Initial Closing, their current positions with the Corporation, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the approximate number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them. The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective Conditional Directors individually.

| Name and municipality of residence | Position with the Corporation | Director Since | Principal occupation for Previous Five Years | Number of Common Shares owned, controlled or directed ⁽¹⁾ |
|--|-------------------------------|----------------|--|--|
| Richard Clément ⁽²⁾ Montreal, Québec | N/A | -- | Co-President, Montréal Cannabis Médical Inc. | Nil ⁽³⁾ |
| Michel Clément Montreal, Quebec | N/A | -- | Co-President, Montréal Cannabis Médical Inc. | Nil ⁽⁴⁾ |

Notes:

(1) Information as to shareholdings, not being within the knowledge of the Corporation has been furnished by the Directors.

(2) It is anticipated that upon Mr. Richard Clément’s appointment as a Director of the Corporation, that Mr. Clément also will be appointed as a member of the Corporate Governance, Nominations and Compensation Committee.

(3) It is anticipated that following the Initial Closing, Mr. Richard Clément will own, control or direct 310,938,001 Common Shares (22.75%).

(4) It is anticipated that following the Initial Closing, Mr. Michel Clément will own, control or direct 310,938,001 Common Shares (22.75%).

To the knowledge of the Corporation, neither of the Conditional Directors, are, or have been within the past 10 years, a director or officer of any corporation that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied such corporation access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days, or, while such person was acting in that capacity or within one year thereafter, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Corporation, neither of the Conditional Directors, are, or have been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, or has entered into a settlement agreement with a Canadian securities regulatory authority, nor have neither of the Conditional Directors been subject to

any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a Conditional Director.

To the knowledge of the Corporation, except as described below, neither of the Conditional Directors, nor any personal holding corporation of any such person, has, within the past 10 years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

4. Appointment of Auditors

Management proposes that Ernst & Young LLP (“E&Y”) of EY Tower, 100 Adelaide Street West, PO Box 1, Toronto, Ontario M5H 0B3 be reappointed as auditor of the Corporation to hold office until the next annual meeting of Shareholders. E&Y were appointed as the auditors of the Corporation on February 7, 2019. **Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Corporation will be voted “FOR” the appointment of E&Y as auditor of the Corporation to hold office until the close of the next annual meeting of Shareholders, at a remuneration to be fixed by the Board of Directors.**

Additional information on the Corporation’s Audit and Risk Management Committee, and on the Corporation’s relationship with its independent auditor, is set out in the section “Audit and Risk Management Committee”, below.

The fees paid to E&Y for the audit of the financial years ended April 30, 2020 and April 30, 2021 were as follows:

| | 2021 | 2020 |
|-----------------------------------|------------------|------------------|
| Audit fees ⁽¹⁾ | \$310,000 | \$170,000 |
| Audit-related fees ⁽²⁾ | \$20,000 | \$50,000 |
| Tax fees ⁽³⁾ | Nil | Nil |
| All other fees ⁽⁴⁾ | Nil | Nil |
| Total | \$330,000 | \$220,000 |

Notes:

- (1) "**Audit fees**" include fees necessary to perform the annual audit of the Corporation's consolidated financial statements. Audit fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Audit-related fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "**Tax fees**" include fees for all tax services other than those included in Audit fees. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice include assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and request for rulings or technical advice from tax authorities.
- (4) "**All other fees**" include all other non-audit services.

5. Amendments to Investment Instruments with Archerwill Investments Inc.

Background

Archerwill Investments Inc. (“Archerwill”) is the holder of a secured convertible debenture (the “Archerwill Debenture”) in the principal amount of \$6,500,000 issued by the Corporation on August 5, 2020. The Archerwill Debenture was issued pursuant to a subscription agreement dated August 5, 2020 between the Corporation and Archerwill (the “Archerwill Subscription Agreement”) pursuant to which the Corporation also issued to Archerwill Common Share purchase warrants to acquire 130,000,000 Common Shares (the “Archerwill Warrants”) at an exercise price of \$0.06 per Common Share (subject to adjustment) for a term of four years following issuance.

The principal amount and interest of the Archerwill Debenture is convertible into Common Shares at a price of \$0.05 per Common Share. Unless converted earlier, the Archerwill Debenture matures on August 5, 2025. The Archerwill Debenture bears interest at a

rate of 8.0% per annum compounded annually and at the election of Archerwill, is either payable in cash at maturity or convertible into Common Shares on the same terms as the principal amount. The proceeds to the Corporation from the Archerwill Debenture were used to retire certain obligations and for general working capital and expansion purposes.

The obligations of the Corporation to Archerwill under the Archerwill Debenture are secured by a first-priority lien over all present and future property of the Corporation pursuant to a general security agreement entered into between the Corporation and Archerwill concurrent with the issuance of the Archerwill Debenture. The obligations of the Archerwill Debenture are also subject to a guarantee in favour of Archerwill granted by each material subsidiary of the Corporation (namely, Abba Medix Corp., Canada House Clinics Inc. and IsoCanMed Inc. (“**IsoCanMed**”)) and are secured by a first-priority lien over all present and future property of each such subsidiary, except in the case of IsoCanMed, where Archerwill’s security interest is subordinated to the obligations of IsoCanMed as guarantor of promissory notes in the aggregate principal amount of \$12,500,000 issued by Canada House to the vending shareholders in connection with the Corporation’s acquisition of IsoCanMed in 2020 (collectively, with the general security agreement, the “**Archerwill Security Agreements**”).

In addition, in conjunction with the transactions contemplated by the Archerwill Subscription Agreement, the Corporation and Archerwill also entered into an investor rights agreement (the “**Investor Rights Agreement**” and, together with the Archerwill Debenture, the Archerwill Warrants and the Archerwill Security Agreements, the “**Archerwill Instruments**”) having the following material terms:

- Archerwill is entitled to nominate two directors for appointment to the Board of Directors of the Corporation. To date, Archerwill has not exercised its right to nominate such directors to the Board of Directors and, rather, has appointed two observers.
- Archerwill was provided with a “right to match” certain material acquisition proposals in respect of the Corporation.
- Archerwill received pre-emptive rights allowing Archerwill to participate *pro rata* in future financings in order to maintain its ownership percentage on a fully-diluted basis; and
- Archerwill is the beneficiary of certain other information and governance rights in respect of the Corporation.

Finally, as a condition to closing the transactions contemplated by the Subscription Agreement, certain shareholders of the Corporation entered into Voting Support Agreements in favour of Archerwill under which Shareholders holding an aggregate of approximately 359,484,754 Common Shares, representing approximately 52.58% of the issued and outstanding Common Shares as at the date of this Circular, covenanted to vote for the election of Archerwill’s nominees to the Board of Directors and against any “change of control” or sale transaction requiring shareholder approval which would impair Archerwill’s rights under the Archerwill Instruments.

The Archerwill Subscription Agreement, the Archerwill Debenture and the Investor Rights Agreement have been filed on SEDAR on August 17, 2020 and are available under the Corporation’s profile on SEDAR at www.sedar.com.

Background to the Transaction with Montréal Cannabis Médical Inc.

The Corporation, Montréal Cannabis Médical Inc. (“**MTL Cannabis**”), a Montréal-based licensed producer of cannabis, and the shareholders of MTL Cannabis entered into a definitive share exchange agreement dated August 9, 2021, as amended and as the same may be further amended and/or restated (the “**Share Exchange Agreement**”) respecting the Transaction pursuant to which Canada House is to acquire all of the issued and outstanding shares of MTL Cannabis (the “**Transaction**”), constituting a “reverse takeover” of the Corporation.

Pursuant to the terms of the Share Exchange Agreement, the current shareholders of MTL Cannabis, collectively, would, in exchange for the shares of MTL Cannabis to be acquired by the Corporation, be issued Common Shares (the “**Consideration Shares**”) amounting to approximately 80% of the issued and outstanding Common Shares of the Corporation immediately post-Closing on a basis which assumes the conversion in full of the principal and accrued interest to maturity under the Archerwill Debenture (a “**Partially Diluted Basis**”), but no other securities of the Corporation convertible into or exercisable for Common Shares.

Originally contemplated as a transaction whereby the Corporation would effect the Transaction as a single-step, the parties have entered into an amended and restated Share Exchange Agreement (the “**A&R Share Exchange Agreement**”) dated as of July 22, 2022 to effect the transaction over two stages. The first stage of the Transaction (the “**Initial Closing**”) is expected to result in the acquisition by the Corporation of approximately 24.99% of the issued and outstanding shares of MTL Cannabis and the second stage (the “**Subsequent Closing**”) will result in the Corporation’s acquisition of the remaining 75.01% of the issued and outstanding shares of MTL Cannabis. The parties have agreed to restructure the Transaction in this manner as MTL Cannabis has to date not

been able to deliver the required audited annual and unaudited interim financial statements and related management's discussion and analysis in order for the Corporation to proceed to a shareholder meeting to approve the Transaction, as is required by the rules and policies of the Canadian Securities Exchange (the "CSE"). To reflect the parties' commitment to the Transaction and in light of the ongoing integration of the business of the Corporation with the business of MTL Cannabis, the parties have determined to proceed with the Initial Closing and the further integration of the two businesses while the necessary audited annual, unaudited interim financial statements and pro forma financial statements together with the related management's discussion and analysis are prepared to allow the Corporation to call and hold a special meeting of Shareholders to approve the Subsequent Closing.

Prior to, or in conjunction with, the Initial Closing, the Corporation anticipates effecting a consolidation of the Common Shares on the basis of one (1) post-consolidation Common Share for every thirty (30) pre-consolidation Common Shares (the "**Share Consolidation**"). The Share Consolidation was previously approved by Shareholders at the annual general and special meeting of Shareholders held on December 18, 2020.

MTL Cannabis is a Canadian licensed producer of Cannabis located in Montreal, Quebec. As a "flower-first" company built for the modern street, MTL Cannabis has a 57,000 square foot licensed Cannabis production facility with room to expand to 130,000 square feet in the existing two buildings and possible expansion to over 300,000 square feet. Under the existing footprint, the indoor facility uses proprietary hydroponic growing methodologies supported by handcrafted techniques to produce products that are truly crafted for the masses. MTL Cannabis currently produces over 10,000kg annually, yielding over 2kg per light. With supply deals in nine Canadian provinces, the company is currently in the top five in dried flower sales in almost all markets. MTL Cannabis' goal has been clear from the start, be the brand that brings the best of the street to the shelves by staying committed to the craft.

Further details of the Transaction and regarding MTL Cannabis and the pro forma business of the Corporation following the Subsequent Closing will be provided in the information circular and related materials for the special meeting of Shareholders at which Shareholders will be asked to approve the Subsequent Closing. **Shareholders are, however cautioned, that there can be no assurance that the Subsequent Closing will be effected even if the Initial Closing is achieved. Closing of the Subsequent Closing will be subject to all of the conditions precedent to such Subsequent Closing set out in the A&R Share Exchange Agreement, including delivery by MTL Cannabis of the necessary audited annual, unaudited interim financial statements and pro forma financial statements together with the related management's discussion and analysis of MTL Cannabis.**

The A&R Share Exchange Agreement has been filed on SEDAR on July 22, 2022 and is available under the Corporation's profile on SEDAR at www.sedar.com.

Archerwill Amendments

Although Shareholder approval is not required in order for the Corporation to proceed with the Initial Closing, the Corporation is seeking "minority approval" (as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transaction* ("**MI 61-101**")) for certain amendments proposed to be made to the Archerwill Instruments. Archerwill has certain rights pursuant to the Archerwill Instruments which must be either cancelled, waived or amended for the Corporation to proceed with the Initial Closing as currently contemplated. Furthermore, the Corporation may be considered to be in technical default in respect of certain of its obligations under the Archerwill Instruments and without forbearance from Archerwill, Archerwill could seek to enforce the remedies available to it under the Archerwill Instruments and the Initial Closing is at a risk of not closing. The Corporation has addressed the matter by entering into:

- (a) an amendment and restatement of the Archerwill Debenture (the "**A&R Archerwill Debenture**");
- (b) an amendment to the Archerwill Warrants (the "**Archerwill Warrants Amendment**"); and
- (c) a termination of the Investor Rights Agreement and a mutual release of the parties in respect thereof (the "**Termination Agreement**" and, together with the A&R Archerwill Debenture and the Archerwill Warrants Amendment, the "**Archerwill Amendments**").

Related Party Transaction

Archerwill is considered to be a Related Party under MI 61-101 by virtue of having beneficial ownership of over 10% of all the outstanding voting securities of the Corporation. As the Common Shares issuable on conversion of the Archerwill Debenture and exercise of the Archerwill Warrants could have been so issued to Archerwill within 60 days of the date the Archerwill Amendments were entered into, they are deemed to be beneficially owned under National Instrument 62-104 – *Take-Over Bids and Issuer Bids* ("**62-104**") for the purpose of the definition of "related party" under MI 61-101. As such, the contemplated Archerwill Amendments may be considered to be a "related party transaction" requiring "minority approval" (each as defined in MI 61-101).

Terms of the Archerwill Amendments

As set out in the Archerwill Amendments, the following are the material terms of the Archerwill Amendments, all of which is conditional upon, among other things, the Initial Closing, except for the amendments to the conversion price of the A&R Archerwill Debenture and the exercise price of the Archerwill Warrants which will be effective upon the completion of the Share Consolidation:

- **Support the Transaction:** Archerwill agrees to vote in favour and otherwise support the completion of the Transaction and to waive its rights under Article 7 of the Archerwill Debenture as it relates to “triggering events” (as defined in the Archerwill Debenture) and Article 2 of the Investor Rights Agreement as it relates to Archerwill’s “right to match” an “acquisition proposal” (as such term is defined in the Archerwill Debenture).
- **Conversion Price:** The conversion price of the A&R Archerwill Debenture will be amended from \$0.05, which would equate to \$1.50 after adjusting for the Share Consolidation, to the lower of \$0.90 and the volume weighted average trading price of the Common Shares of the Resulting Issuer over the first 20 trading days following the resumption of trading of the Common Shares on the CSE¹, subject to a minimum price of \$0.50 (the “**Amended Conversion Price**”). If the Share Consolidation is completed but the A&R Share Exchange Agreement is terminated prior to the Initial Closing, the Amended Conversion Price will be \$0.90.
- **Warrant Exercise Price:** The exercise price of the Archerwill Warrants will be amended from \$0.06, or \$1.80 after giving effect to the Share Consolidation, to the lower of \$1.20 and 130% of the volume weighted average trading price of the Common Shares for the 20 day trading days following the resumption of trading of the Common Shares on the CSE (the “**Amended Exercise Price**”). If the Share Consolidation is completed but the A&R Share Exchange Agreement is terminated prior to the Initial Closing, the Amended Exercise Price will be \$1.20.
- **Termination of Investor Rights Agreement:** Pursuant to the Termination Agreement, the parties will terminate and issue reciprocal releases with respect to the Investor Rights Agreement, effective upon the Initial Closing. As such, Archerwill’s right to nominate two directors for appointment to the Board of Directors, to match certain acquisition proposals received by Canada House, to participate in future financings to maintain its *pro rata* ownership percentage and certain other governance rights under the agreement would be terminated as they currently exist under the Investor Rights Agreement, although certain of those rights will continue to exist in favour of Archerwill in the A&R Archerwill Debenture as described below.
- **Subordinate Debt:** The limitation on Permitted Subordinated Indebtedness (as defined in the A&R Archerwill Debenture), to a value of \$7,500,000 is removed as are any covenants in Archerwill’s favor with respect to incurring indebtedness, issuing guarantees or granting security by the Corporation or its subsidiaries which rank subordinate to security interests under the Archerwill Instruments. For greater certainty, such covenants will remain in place with respect to indebtedness, guarantees or the grant of security expressed to rank *pari passu* or superior to the Archerwill Instruments.
- **Prepayment Right:** When and if effective, the A&R Archerwill Debenture will provide the Corporation with the option to prepay the A&R Archerwill Debenture in full, including all accrued interest to the maturity date of August 5, 2025, subject to the issuance to Archerwill of additional warrants (the “**Prepayment Warrants**”) to purchase that number of Common Shares as is equal to the outstanding principal amount plus all accrued and unpaid interest on such principal amount to the date of prepayment plus all interest to accrue on such principal amount to the maturity date of the A&R Archerwill Debenture divided by the Amended Conversion Price. The Prepayment Warrants, if issued, would be exercisable up to maturity of the A&R Archerwill Debenture (currently August 5, 2025) and would be exercisable at a price per Common Share equal to the Amended Conversion Price.
- **Observer Rights:** When and if effective, the A&R Archerwill Debenture will provide for the right of Archerwill to appoint Irvine Weitzman and Kevin Weitzman as observers to the Board of Directors of the Corporation on terms substantially equivalent with the observer rights in favour of Archerwill in s.3.1(g) of the Investor Rights Agreement (such rights, as existing under the Investor Rights Agreement, to be terminated pursuant to the Termination Agreement), which entitle such observers to receive all notices and communications that are distributed by the Corporation to the Board of Directors, to attend and speak at meetings of the Board of Directors, to be reimbursed for reasonable expenses but do not entitle such observers to vote on any matters put before the Board of Directors (the “**Observer Right**”).
- **Pre-emptive Rights:** When and if effective, the A&R Archerwill Debenture will provide Archerwill with pre-emptive rights substantially equivalent to those in Article 4 of the Investor Rights Agreement (such rights, as existing under the Investor Rights Agreement, to be terminated pursuant to the Termination Agreement). Such pre-emptive rights provide Archerwill with the

¹ Archerwill has covenanted with the Corporation that it will not to transfer or otherwise deal in any Common Shares during this 20 trading day period.

right, subject to various terms and exceptions, to acquire, on the issuance of Common Shares or convertible securities (a “**Triggering Event**” as defined in the A&R Archerwill Debenture), to subscribe for that number of such Common Shares or convertible securities and at the same price so as to maintain its ownership percentage as it had been immediately prior to the Triggering Event, assuming in each case the conversion of the A&R Archerwill Debenture and exercise of the Archerwill Warrants (the “**Pre-Emptive Right**”).

- **Information Rights:** When and if effective, the A&R Archerwill Debenture will provide Archerwill with equivalent information rights as in Article 5 of the Investor Rights Agreement (such rights, as existing under the Investor Rights Agreement, to be terminated pursuant to the Termination Agreement), including information packages shared with the Board of Directors or Audit Committee relating to the approval of any financial statements or MD&A as well as monthly, quarterly and annual financial statements and reports, annual operating budgets and quarterly securities capitalization tables (the “**Information Right**”).
- **Related Party Transactions:** When and if effective, Section 6.2(g) of the A&R Archerwill Debenture, which provides Archerwill with a restrictive covenant in favour of certain related party transactions among the Corporation and its or its subsidiaries’ employees, officers or directors will be amended to require Archerwill to act reasonably in considering whether to consent to any such transaction (the “**Related Party Transaction Right**”).
- **Ownership Threshold:** When and if effective, the A&R Archerwill Debenture will provide that the Observer Right, the Pre-Emptive Right, the Information Right and the Related Party Transaction Right will continue beyond the repayment of all obligations under the A&R Archerwill Debenture, only so long as Archerwill owns Common Shares or securities convertible or exercisable into Common Shares (including the A&R Archerwill Debenture and the Archerwill Warrants) which together represent at least 5% of the issued and outstanding Common Shares.

The Archerwill Amendments will become effective on the Initial Closing and are subject to various conditions and covenants including the completion of the Share Consolidation, the passing of the Archerwill Amendment Resolution (*defined below*) and any necessary regulatory approval of the Archerwill Amendments, except for the amendments to the conversion price of the A&R Archerwill Debenture and the exercise price of the Archerwill Warrants which will be effective upon the completion of the Share Consolidation.

The above terms were agreed among the Corporation and Archerwill following a series of negotiations that took place leading up to the execution of the Archerwill Amendments. Numerous proposals were exchanged among the parties during this time. Overall, the above terms reflect the most attractive terms to the Corporation that were contemplated over the course of the negotiations, which were also agreeable to Archerwill.

Effects of the Archerwill Amendments

Effects on the Corporation

The Archerwill Amendments are anticipated to have the following effects on the Corporation as a whole, which is not intended to be an exhaustive list.

- **Enable the Transaction:** The Archerwill Amendments address various rights Archerwill has under the Archerwill Instruments which could impact the ability of the Corporation to complete the Initial Closing or the Transaction as a whole and provide for Archerwill to otherwise support the completion of the Transaction. The Transaction (even if only the Initial Closing is completed) is anticipated to bring various benefits to the Corporation as outlined elsewhere in this Circular including substantially increasing the Corporation’s revenue, enhancing cultivation and distribution capabilities, leveraging low-cost production, strengthening the management team, and advancing the Corporation’s brand portfolio.
- **Greater Financial Flexibility:** The Corporation will have greater financial flexibility in managing its capital structure through the right to prepay the Archerwill Debenture and the softening of certain covenants in Archerwill’s favour which currently limit the Corporation or its subsidiaries with respect to the issuance of debt or the granting of guarantees or security that is subordinate to the Archerwill Debenture. The ability to prepay the A&R Debenture, in particular, will permit the Corporation to pursue alternative debt-financing on terms more favorable than the A&R Debenture.
- **Continued Strategic Input from Archerwill:** Other things equal, the repricing of the conversion price under the A&R Archerwill Debenture has the effect of increasing Archerwill’s beneficial equity ownership interest in the Corporation (prior to giving effect to the dilution from the issuance of Common Shares to the shareholders of MTL Cannabis in connection with the Transaction). As such, Archerwill will have an enhanced financial interest in its continued success. Further, through the

continuance of the Observer Right and Information Right in the A&R Archerwill Debenture, Archerwill will continue to be fully apprised of the ongoing developments of the Corporation as well as being afforded the opportunity to comment and provide strategic insight at meetings of the Board of Directors. Since the closing of the investment transaction with Archerwill, Archerwill and its principals have provided critical strategic business and operational input and support to the Corporation's management and the Board of Directors and it is anticipated that the nature of the Archerwill Amendments are such that Archerwill will have incentives to continue to provide such support.

- **Further Dilution from the Reduction to the Conversion Price of the A&R Archerwill Debenture:** Prior to giving effect to the Archerwill Amendments and without giving effect to the conversion of the interest on the Archerwill Debenture but after giving effect to the Share Consolidation, the Archerwill Debenture would have been convertible into 4,333,333 Common Shares. By reducing the post Share Consolidation conversion price to \$0.90, the principal amount of the A&R Archerwill Debenture will be convertible into 7,222,222 Common Shares, resulting in significantly greater dilution of other Shareholders, prior to the further issuance of Common Shares in connection with the Transaction. The Amended Conversion Price will have similar dilutive effects as it relates to the interest on the A&R Archerwill Debenture to the extent such interest is converted into Common Shares. Furthermore, it is unknown if the Amended Conversion Price will be lower than the \$0.90 per Common Shares assumed for the purposes of these calculations given that the Amended Conversion Price may be reduced based on the volume weighted average trading price of the Common Shares for the 20 days following the resumption of trading of the Common Shares on the CSE. If so, it would result in even more substantial dilution. If the conversion price is reduced to the conversion price floor of \$0.50, the principal amount of the Archerwill Debenture will be convertible into 13,000,000 Common Shares on a post-Share Consolidation basis.
- **Reduced Warrant Exercise Proceeds:** Prior to giving effect to the Archerwill Amendments, the total proceeds on exercise of all of the Archerwill Warrants would have been \$7,800,000. By reducing the post-Share Consolidation Amended Exercise Price to \$1.20, the total exercise proceeds would be \$5,200,000. It is unknown if the exercise price would be lower than this as the Amended Exercise Price may be reduced based on the volume weighted average trading price of the Common Shares for the twenty days following the resumption of trading of the Common Shares on the CSE. If so, it would result in a further decrease in total Archerwill Warrant exercise proceeds. For example, at an Amended Exercise Price of \$0.50, the total exercise proceeds from the Archerwill Warrants would amount to \$2,166,667.
- **Elimination of the "Right to Match":** As noted above, the Investor Rights Agreement provided Archerwill with a "right to match" an "acquisition proposal" (as such term is defined in the Archerwill Debenture). Pursuant to the Investor Rights Agreement, prior to the Corporation being able to pursue and/or proceed with certain proposals from third parties in respect of the acquisition of a material portion of the assets or shares of the Corporation, the Corporation was obligated to provide Archerwill with notice of such proposed transactions and provide Archerwill with a period during which it could consider whether to match such proposals. A right of this nature could have a chilling effect preventing otherwise interested parties from engaging in overtures with the Corporation. Eliminating this right will give the Corporation greater flexibility as it relates to M&A and strategic transactions moving forward.

Effects on Interested Parties

The effects of the Archerwill Amendments on the Corporation described above will have corresponding effects on Archerwill. However, further detail on the impact of the Amended Conversion Price and the Amended Exercise Price of the Archerwill Warrants are provided below. As the Archerwill Amendments are conditional on the Initial Closing (except for the Amended Conversion Price and the Amended Exercise Price, as described above), they will only take effect thereafter, which would also be subsequent to the Share Consolidation, the figures below are calculated after giving effect to these two events.

- A&R Archerwill Debenture. Assuming conversion of the full principal balance and the accrual of all interest to maturity, which would then total \$9,550,632, the Amended Conversion Price would increase the number of Common Shares issuable on conversion from 6,367,088 to 10,611,814 Common Shares, assuming the maximum Amended Conversion Price of \$0.90, or 19,101,265 Common Shares, assuming the minimum Amended Conversion Price of \$0.50.
- Archerwill Warrants: The number of Common Shares issuable under the Archerwill Warrants, if exercised in full would not change under the Archerwill Amendments. However, the aggregate consideration Archerwill would pay to exercise the Archerwill Warrants in full would decrease from \$7,800,000 prior to the Archerwill Amendments taking effect to \$5,200,000 at an Amended Exercise Price of \$1.20. The ultimate Amended Exercise Price could be lower than this as calculated based on the volume weighted average trading price of the Resulting Issuer for the 20 days following the resumption of trading of the

Common Shares on the CSE. If so, the consideration paid by Archerwill to exercise the Warrants could be decreased further. For example, at an Amended Exercise Price of \$0.50, the total cost to Archerwill to exercise all of the Archerwill Warrants would equal \$2,166,667.

The following table shows the effects on Archerwill’s ownership position in the securities of the Corporation on a partially diluted basis (i.e. assuming the conversion in full of the principal and interest on the Archerwill Debenture and the full exercise of the Archerwill Warrants but no other securities of the Corporation convertible into or exercisable for Common Shares) before giving effect to the Archerwill Amendments and after giving effect to the Archerwill Amendments and, in the case of the latter, assuming the Initial Closing and the Subsequent Closing assuming both a maximum Amended Conversion Price of \$0.90 and a minimum Amended Conversion Price of \$0.50 and the maximum Amended Exercise Price of \$1.20 and an Amended Exercise Price of \$0.65 (in the event the Amended Conversion Price is \$0.50 and, for greater certainty, the Amended Exercise Price may be lower), in all cases after giving effect to the Share Consolidation.

| | Prior to the Archerwill Amendments | | After giving effect to the Archerwill Amendments and assuming an Amended Conversion Price of \$0.90 and an Amended Exercise Price of \$1.20 | | After giving effect to the Archerwill Amendments and assuming an Amended Conversion Price of \$0.50 and an Amended Exercise Price of \$0.65 | |
|--|------------------------------------|-----------------------------|---|-----------------------------|---|-----------------------------|
| | Upon the Initial Closing | Upon the Subsequent Closing | Upon the Initial Closing | Upon the Subsequent Closing | Upon the Initial Closing | Upon the Subsequent Closing |
| Archerwill interest in Common Shares ⁽¹⁾ | 10,804,488 (17.25%) | 10,804,488 (7.20%) | 15,049,214 (21.16%) | 15,049,214 (8.78%) | 23,538,665 (26.72%) | 23,538,665 (11.01%) |
| Number and percentage of Common Shares held by Disinterested Shareholders (as defined below) | 22,684,387 (36.22%) | 22,684,387 (15.11%) | 22,684,387 (31.90%) | 22,684,387 (13.24%) | 22,684,387 (25.75%) | 22,684,387 (10.61%) |

Note:

(1) Includes Common Shares currently owned, controlled or directed by Archerwill and Common Shares issuable to Archerwill under the Archerwill Debenture and the Archerwill Warrants.

Certain Risks Associated with the Archerwill Amendments

The Board of Directors has determined that it is in the best interests of the Corporation to proceed with the Archerwill Amendments; however, there are certain risks associated with the Archerwill Amendments, including, but not limited to:

- i. Dilution - If the Archerwill Amendments are approved and implemented, Disinterested Shareholders’ ((defined below under heading “Archerwill Amendment Resolution”), and assuming the closing in full of the Transaction, ownership interest on a Partially Diluted Basis will decrease as shown in the table above depending on the final determination of the Amended Conversion Price and whether the Transaction is completed in its entirety, or only the Initial Closing is achieved. The dilution resulting from the Amended Conversion Price manifests itself in two manners. First, based on the additional Common Shares that the A&R Archerwill Debenture would be convertible into at the lower Amended Conversion Price. Second, due to the fact that under the A&R Share Exchange Agreement for the Transaction, the number of Common Shares issuable to the shareholders of MTL Cannabis is to represent 80% of the total number of Common Shares on a Partially Diluted Basis and accordingly, as additional shares are issued to Archerwill as a result of a lower Amended Conversion Price, the number of Common Shares issuable to shareholders of MTL Cannabis also increases.
- ii. Warrant Exercise Proceeds – As noted above under “Effects of the Archerwill Amendments”, the Amended Exercise Price of the Archerwill Warrants would result in lower proceeds to the Corporation on the exercise of the Archerwill Warrants.

- iii. Impact on Common Share Price – Numerous other factors in addition to those noted above could affect the price of the Common Shares following the Archerwill Amendments, including those described in the Corporation’s public filings.

Formal Valuation Exemption

As no securities of the Corporation are listed on any of the stock exchanges and trading platforms listed in 5.5(b) of MI 61-101, the Archerwill Amendments are exempt from the requirement in MI 61-101 to obtain a formal valuation of the Archerwill Amendments.

Board Approval of Archerwill Amendments

The Board’s deliberation of the Archerwill Amendments occurred over several weeks and, given the rights that Archerwill has in relation to the Transaction, occurred contemporaneously with the Board’s consideration of the Transaction. On May 26, 2021, the Board formed a special committee (“**Special Committee**”) consisting of the Board’s independent directors to consider the Transaction and the special committee also gave consideration to the Archerwill Amendments.

The Special Committee met and deliberated numerous times between May 26, 2021 and July 19, 2022

On June 8, 2021 the Special Committee engaged Dentons Canada LLP as legal counsel to the Special Committee in connection with the Transaction and the Archerwill Amendments.

On June 16, 2021 the Special Committee engaged Haywood Securities Inc., as financial adviser to the Special Committee in connection with the Transaction. Also on June 16, 2021, the Special Committee engaged Services de Conseil G.D.N.P. Inc., acting through and represented by Tony Meti to provide the Special Committee with analysis and advice on structuring and implementing the Transaction.

At a meeting of the Special Committee held on July 8, 2021 the Special Committee discussed in detail the Transaction and the draft share exchange agreement to be entered into by the Corporation, MTL Cannabis and the MTL Cannabis shareholders. At the same meeting held on July 8, 2021, the Special Committee received from Haywood Securities Inc. their financial analysis of the Transaction (“**Haywood Analysis**”) to help the Special Committee and the Board to assess the Transaction as being in the best interests of the Corporation.

On July 20, 2021 the Special Committee engaged Cormark Securities Inc. to provide a fairness opinion (the “Fairness Opinion”) to the Special Committee with respect to the Transaction.

On August 8, 2021, the Special Committee received a preliminary Fairness Opinion from Cormark Securities Inc. to the effect that, based upon and subject to certain assumptions, qualifications and limitations, the Transaction, as it was then constituted, is fair, from a financial point of view, to the Corporation. Cormark Securities Inc. was not retained separately to opine on the Transaction as presently constituted, including without limitation, any change in the Transaction structure subsequent to delivery of the preliminary Fairness Opinion or the Archerwill Amendments. At the same meeting on August 8, 2021, the Special Committee reviewed and considered the principal terms for the Archerwill Amendments. At this meeting the Special Committee recommended to the Board the negotiation and settlement of various terms and conditions in respect of the Archerwill Amendments, in line with the Special Committee discussions and guidance.

Further, at this same meeting held on August 8, 2021, having received the Fairness Opinion, the Haywood Analysis, and having undertaken a thorough review, diligent and careful deliberation of the Transaction, including, without limitation, the rationale for the Transaction, the fairness of the Transaction, reasonably available alternatives to the Transaction (including status quo), and such other matters as the Special Committee deemed necessary and appropriate, the Special Committee made the determinations that the Transaction is in the best interests of the Corporation and the Special Committee recommended to the Board that the Corporation enters into the Share Exchange Agreement.

On August 9, 2021, the Share Exchange Agreement was entered into by the parties thereto.

On May 13, 2022 and June 5, 2022, the Special Committee received a detailed updated presentation by management of the Corporation regarding the Archerwill Amendments.

On July 19, 2022, after careful consideration and deliberations on the financial and other aspects of the Archerwill Amendments, and in the context of the negotiations for the Transaction, the Special Committee determined that the Archerwill Amendments are fair and reasonable in the circumstances, reflect commercial terms that are no less advantageous to the Corporation than if obtained from a person dealing at arm's length with the Corporation in the circumstances, and are in the best interests of the Corporation and unanimously recommended that the Board approve and authorize the Corporation to enter into the Archerwill Amendments.

As part of the Board deliberations, at any Board meeting at which the Archerwill Amendments were considered, the individuals Archerwill has appointed as observers under the Investor Rights Agreement, Irvine Weitzman and Kevin Weitzman, declared their conflicts of interest in the Archerwill Amendments and recused themselves for any portion of the meetings at which the Archerwill Amendments were discussed. After careful consideration and deliberations on the financial and other aspects of the Archerwill Amendments, and in the context of the negotiations for the Transaction, and after receipt of the recommendation from the Special Committee, the Board of Directors determined that the Archerwill Amendments are fair and reasonable in the circumstances, reflect commercial terms that are no less advantageous to the Corporation than if obtained from a person dealing at arm's length with the Corporation in the circumstances, and are in the best interests of the Corporation.

In unanimously recommending and/or approving, as the case may be, the entering into of the Archerwill Amendments, the Special Committee and the Board of Directors considered and relied upon a number of factors, including the factors discussed above in connection with the Archerwill Amendments and others including:

- Management's assessment of the potential benefits of the Archerwill Amendments, including with facilitating the completion of Transaction;
- The benefits of the Transaction to the Corporation;
- The risks of maintaining the status quo and not completing the Transaction;
- The relative absence of other alternatives reasonably available to the Corporation to address Archerwill's rights which are not compatible with the completion of the Transaction;
- The added financial flexibility afforded to the Corporation as a result of the Archerwill Amendments;
- The benefit of Archerwill's ability to provide continued strategic and operational input to management and the Board of Directors through its ongoing rights under the Archerwill Instruments, including the Observer Right and Information Right;
- That Disinterested Shareholders will be given a right to vote on and approve the Archerwill Amendments under the requirements of MI 61-101;
- Potential risks to the Corporation and negative factors associated with the Archerwill Amendments and the effects of such risks on the interests of Disinterested Shareholders, including among others, the risks described above under "Certain Risks Associated with the Archerwill Amendments"; and
- The advice of their counsel and such other matters as it considered relevant.

The foregoing discussion of the information and factors considered and given weight by the Board of Directors is not intended to be exhaustive. In reaching the determination to approve and recommend the Archerwill Amendments, the Board of Directors did not assign any relative or specific weights to the foregoing factors, and individual directors may have given different weights to different factors.

Archerwill Amendments Resolution

As a related party transaction, approval of Shareholders who are not interested parties as defined in MI 61-101 (the "**Disinterested Shareholders**") is required to approve the Archerwill Amendments by way of an ordinary resolution (the "**Archerwill Amendments Resolution**"). As a related party to the Corporation and a party to the Archerwill Amendments, Archerwill is an interested party with respect to the Archerwill Amendments and thus excluded from voting on the Archerwill Amendments Resolution, as are any related parties to Archerwill and any joint actors with it in advancing the Archerwill Amendments, none of which would be included among the Disinterested Shareholders.

The number of votes attached to the securities that, to the knowledge of the Corporation after reasonable inquiry, will be excluded in determining whether minority approval for the Archerwill Amendments is obtained is equal to 3,122,000 votes. The identity of the holders of such votes and their holdings are as follows:

- | | | |
|-------------------------------|-----------------|-------------------------|
| ▪ Archerwill Investments Inc. | 3,122,000 votes | 3,122,000 Common Shares |
|-------------------------------|-----------------|-------------------------|

If the requisite approval of the Disinterested Shareholders is obtained, the Archerwill Amendments will, subject to the receipt of all necessary regulatory approvals, including any required approvals of the CSE, take effect upon completion of the Initial Closing.

Having determined that the Archerwill Amendments are in the best interests of the Corporation, the Board of Directors unanimously recommends that Disinterested Shareholders vote in favour of the Archerwill Amendments Resolution to approve the Archerwill Amendments. Notwithstanding the approval by the Disinterested Shareholders, the board may, without further shareholder action, revoke the ordinary resolution authorizing the Archerwill Amendments and not implement them. The full text of the Archerwill Amendments Resolution is as follows:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE DISINTERESTED SHAREHOLDERS OF THE CORPORATION THAT:

1. The Corporation is hereby authorized to implement the Archerwill Amendments, as described in the Circular;
2. Any officer or director of the Corporation is hereby authorized and directed for on behalf of the Corporation to execute and deliver all such documents and to do all such other acts and things as he or she may determine to be necessary or advisable to give effect to this ordinary resolution, the execution of any such documents or the doing of any such other act or thing being conclusive evidence of such determination;
3. Notwithstanding that this resolution has been passed by the Disinterested Shareholders of the Corporation (as defined in the Circular), the directors of the Corporation are hereby authorized and empowered without further notice to, or approval of the Disinterested Shareholders, to determine not to proceed with the Archerwill Amendments at any time prior to their implementation. The directors of the Corporation may, at their sole discretion, revoke this resolution before it is acted upon without further approval or authorization of the Disinterested Shareholders of the Corporation if in the sole discretion of the Board, it is deemed desirable to do so.”

To be effective, the Archerwill Amendments Resolution must be approved by a majority of the votes cast by the Disinterested Shareholders who vote in respect of the ordinary resolution in person or represented by proxy at the Meeting in accordance with the provisions of the *Canada Business Corporations Act*.

The Board recommends that Disinterested Shareholders vote “FOR” the Archerwill Amendments Resolution. Unless a Disinterested Shareholder directs that his or her Common Shares are to be voted against this resolution, the persons named in the enclosed form of proxy will vote FOR the Archerwill Amendments Resolution.

STATEMENT OF EXECUTIVE COMPENSATION

The following section provides disclosure of compensation earned by the Named Executive Officers and directors of the Corporation in connection with their office or employment with the Corporation for each of the two most recently completed financial years. The following information is presented in accordance with the requirements of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers (“Form 51-102F6V”)* and provides details of all compensation for each of the directors and Named Executive Officers of the Corporation for the fiscal years ended April 30, 2020 and 2021.

For the purposes of this Circular, a Named Executive Officer of the Corporation means each of the following individuals:

- a) the chief executive officer (“CEO”);
- b) the chief financial officer (“CFO”);

- c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO, whose total compensation was more than \$150,000 for the financial year; and
- d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of the financial year.

The following individuals are considered to be Named Executive Officers of the Corporation for the fiscal year ended April 30, 2021: Chris Churchill-Smith, CEO, Paul Hart (former CFO), Peili Miao, Interim CFO, Alex Kroon, Executive Vice-President and Steven Pearce, Vice-President, Legal.

Summary Compensation Table

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation to each Named Executive Officer and director, in any capacity, for the last two fiscal years ended April 30, 2020 and 2021.

| Table of compensation excluding compensation securities | | | | | | | |
|--|-------------|--|------------------------|---------------------------------------|----------------------------------|---|--------------------------------|
| Name and position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
| Chris Churchill-Smith, CEO | 2021 | 253,863 | -- | -- | -- | -- | 253,863 |
| | 2020 | 225,250 | 112,625 ⁽¹⁾ | -- | -- | -- | 337,875 |
| Paul Hart, former Chief Financial Officer ⁽²⁾ | 2021 | 212,845 | -- | -- | 11,688 | -- | 224,533 |
| | 2020 | 190,000 | 95,000 ⁽¹⁾ | -- | 12,750 | -- | 297,750 |
| Peili Miao, Interim Chief Financial Officer ⁽³⁾ | 2021 | 128,590 | 31,000 | -- | -- | -- | 159,590 |
| | 2020 | 68,841 | -- | -- | -- | -- | 68,841 |
| Alex Kroon, Executive Vice-President | 2021 | 193,246 | -- | -- | 10,350 | -- | 203,596 |
| | 2020 | 177,500 | 87,000 ⁽¹⁾ | -- | 11,750 | -- | 276,250 |
| Steven Pearce, Vice-President Legal | 2021 | 195,632 | -- | -- | -- | -- | 195,632 |
| | 2020 | 170,000 | 85,000 ⁽¹⁾ | -- | -- | -- | 255,000 |
| Norman Betts, Director | 2021 | -- | -- | 32,500 | -- | -- | 32,500 |
| | 2020 | -- | -- | 33,000 | -- | -- | 33,000 |
| Shawn Graham, Director | 2021 | -- | -- | 36,500 | -- | -- | 36,500 |
| | 2020 | -- | -- | 29,000 | -- | -- | 29,000 |
| Gaetan Lussier, Director | 2021 | -- | -- | 24,000 | -- | -- | 24,000 |
| | 2020 | -- | -- | 29,000 | -- | -- | 29,000 |
| Dennis Moir, Director | 2021 | -- | -- | 49,500 | -- | -- | 49,500 |
| | 2020 | -- | -- | 60,000 | -- | -- | 60,000 |
| Erik Bertacchini, Director ⁽⁴⁾ | 2021 | 169,019 | -- | -- | -- | -- | 169,657 |
| | 2020 | -- | -- | -- | -- | -- | -- |

Notes:

1. Bonus awarded and accrued in relation to the fiscal year ended April 30, 2020. Such bonuses were paid partially during the fiscal year ended April 30, 2021 and partially during the fiscal year ended April 30, 2022.
2. Mr. Hart departed the position of Chief Financial Officer effective March 25, 2021.
3. Ms. Miao was appointed to the position of Interim Chief Financial Officer effective March 25, 2021.
4. Mr. Bertacchini was not a Director during the fiscal year ended April 30, 2020. Compensation disclosed for Mr. Bertacchini represents compensation paid in his capacity as President of IsoCanMed Inc., a subsidiary of the Corporation.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and Named Executive Officer by the Corporation or one of its subsidiaries in the financial year ended April 30, 2021 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

| Compensation Securities | | | | | | | |
|---|-------------------------------|---|------------------------|--|--|---|---------------|
| Name and position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
| Chris Churchill-Smith, CEO | Stock Options | -- | -- | -- | -- | -- | -- |
| Paul Hart, former Chief Financial Officer | Stock Options | -- | -- | -- | -- | -- | -- |
| Peili Miao, Interim Chief Financial Officer | Stock Options | 175,000 ⁽¹⁾ | March 9, 2021 | \$0.05 | \$0.035 | \$0.03 | March 9, 2026 |
| Alex Kroon, Executive Vice-President | Stock Options | -- | -- | -- | -- | -- | -- |
| Steven Pearce, Vice-President Legal | Stock Options | -- | -- | -- | -- | -- | -- |
| Norman Betts, Director | Stock Options | 3,000,000 ⁽¹⁾ | March 9, 2021 | \$0.05 | \$0.035 | \$0.03 | March 9, 2026 |
| Shawn Graham, Director | Stock Options | 3,000,000 ⁽¹⁾ | March 9, 2021 | \$0.05 | \$0.035 | \$0.03 | March 9, 2026 |
| Gaetan Lussier, Director | Stock Options | 3,000,000 ⁽¹⁾ | March 9, 2021 | \$0.05 | \$0.035 | \$0.03 | March 9, 2026 |
| Dennis Moir, Director | Stock Options | 3,000,000 ⁽¹⁾ | March 9, 2021 | \$0.05 | \$0.035 | \$0.03 | March 9, 2026 |
| Erik Bertacchini, Director | Stock Options | -- | -- | -- | -- | -- | -- |

Notes:

1. 12.5% of these stock options vest immediately, and the remaining 87.5% of these stock options vest quarterly commencing June 9, 2021 in 7 equal installments.

No compensation securities were exercised by a director or named executive officer during the financial year ended April 30, 2021

Stock Option Plan

The Corporation maintains a Stock Option Plan for the benefit of directors, officers, employees and consultants. The maximum number of Common Shares reserved for issuance and available for purchase pursuant to options granted under the Stock Option Plan cannot exceed 10% of the total number of Common Shares of the Corporation issued and outstanding at the date of any grant made.

In addition, the aggregate number of Common Shares so reserved for issuance to one person may not exceed 5% of the issued and outstanding Common Shares. Options pursuant to the Stock Option Plan are granted at the discretion of the Board of Directors, vest at schedules determined by the Board of Directors which shall not exceed five years from the date of grant and have an exercise price of not less than that permitted by the stock exchange on which the shares are listed.

Termination and Change of Control Benefits

The Corporation has entered into an Employment Agreement ("**CEO Employment Agreement**") with Chris Churchill-Smith pursuant to which Mr. Churchill-Smith was appointed Chief Executive Officer of the Corporation. Under the CEO Employment Agreement, if the Corporation terminates Mr. Churchill-Smith without cause, Mr. Churchill-Smith is entitled to continue to receive his then-current base salary and for the Corporation to continue to make regular employer contributions towards Mr. Churchill-Smith's then-current group benefits coverage for a period of 24 months.

The Corporation has entered into an Employment Agreement ("**CFO Employment Agreement**") with Peili Miao pursuant to which Ms. Miao was appointed Chief Financial Officer of the Corporation. Under the CFO Employment Agreement, if the Corporation terminates Ms. Miao without cause, Ms. Miao is entitled to continue to receive her then-current base salary and for the Corporation to continue to make regular employer contributions towards Ms. Miao's then-current group benefits coverage for a period of 12 months.

The Corporation has entered into Employment Agreements ("**Executive Employment Agreements**") with Alex Kroon and Steven Pearce, pursuant to which Mr. Kroon was appointed Executive Vice-President and Mr. Pearce was appointed Vice-President, Legal of the Corporation. Under the Executive Employment Agreements, if the Corporation terminates Mr. Kroon or Mr. Pearce without cause, or in the event the Corporation is acquired, merged or there is a material change in control of the Corporation and Mr. Kroon or Mr. Pearce elect to consider their employment terminated without cause, they are entitled to continue to receive the greater of their then-current base salary or a deemed base salary of \$250,000 and for the Corporation to continue to make regular employer contributions towards Mr. Kroon and Mr. Pearce's then-current group benefits coverage for a period of 24 months.

Oversight and Description of Director and Named Executive Officer Compensation of the Corporation

The Board of Directors is responsible for developing and implementing the directors' compensation plan. The main objectives of the directors' compensation plan are (a) to attract and retain the services of the most qualified individuals, (b) to compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in board and board committee membership, and is competitive with other comparable public issuers, and (c) to align the interests of the directors with those of the long-term Shareholders.

The Corporate Governance, Nominations and Compensation Committee is responsible for reviewing the Corporation's policy regarding remuneration of Directors and making recommendations to the Board. Currently, the Corporation's practice is to compensate the Chair of the Board with a monthly retainer of \$3,500, chairs of the committees of the Board with a monthly retainer of \$2,500 and other independent directors with a monthly retainer of \$2,000, provided that a Director is only entitled to one of the foregoing fees, being the highest fee to which such Director is entitled. In addition, independent directors may be granted stock options pursuant to the Corporation's stock option plan. Non-independent directors do not receive additional compensation in their capacity as a director.

In setting compensation for the Named Executive Officers, the Board of Directors reviews salaries paid to the executive officers of the Corporation, salaries and bonuses paid to other officers of equivalent role in the industry and the Named Executive Officers' impact on the achievement of the Corporation's objectives for the previous and current financial year.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at April 30, 2021, with respect to the Stock Option Plan, being the sole compensation plan pursuant to which equity securities of the Corporation are authorized for issuance. A description of the Stock Option Plan may be found earlier in this Circular under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

| Plan | Number of securities to be issued upon exercise of outstanding options | Weighted average exercise price of outstanding options (\$) | Number of Common Shares remaining available for future issuance under the Stock Option Plan |
|-------------------|--|---|---|
| Stock Option Plan | 55,700,000 ⁽¹⁾ | 0.09 | 12,645,363 |

Notes:

2. Nil stock options have been issued since the end of the financial year ended April 30, 2021. Since May 1, 2021, 7,300,000 stock options expired and 10,450,000 stock options were cancelled.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, none of the executive officers, directors, employees or former executive officers, directors or employees of the Corporation or any of its subsidiaries was indebted to the Corporation or any of its subsidiaries and, as at the date hereof, the indebtedness, if any, of such persons to other entities was not the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management services for the Corporation are not, to any substantial degree, performed by persons other than the executive officers of the Corporation. The Corporation was not subject to any management agreement for the financial year ended April 30, 2021.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purpose of this Circular, an "**Informed Person**" of the Corporation means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or corporation that is itself an Informed Person or subsidiary of the Corporation; (c) any person or corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or corporation as underwriter in the course of a distribution; and (d) the Corporation, if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

To the knowledge of the Corporation, no Informed Person of the Corporation, and no associate or affiliate of any such person, at any time, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction that has materially affected the Corporation, in any proposed transaction that could materially affect the Corporation, or in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

REPORT ON CORPORATE GOVERNANCE

The Corporation and the Board recognize the importance of corporate governance to the effective management of the Corporation and to the protection of its stakeholders, particularly Shareholders. The Corporation has set out below its approach to corporate governance which is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation's operations at regular meetings, or as otherwise required and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks that the Corporation faces.

The Board of Directors anticipates conducting a fulsome review of its corporate governance policies and practices, including the nature and composition of the committees of the Board of Directors in connection with the Transaction in order to ensure that its corporate governance practices are commensurate with an organization of the size and scope of the Corporation following closing of the Transaction.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate

governance practices which disclosure is set out below, in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

Six (6) directors are being nominated for election to the Board of Directors.

Pursuant to National Instrument 52-110 – *Audit Committees* (“NI 52-110”), a director is considered independent if he or she has no direct or indirect material relationship with the Corporation that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment. NI 52-110 sets out certain situations where a director is deemed to have a material relationship with the Corporation.

The Board of Directors considers Norman Betts, Shawn Graham, Gaetan Lussier, and Dennis Moir to be independent. The Board of Directors considers that Chris Churchill-Smith is not independent by virtue of being the Corporation’s CEO. The Board also considers that Erik Bertacchini is not independent by virtue of being the president of a material operating subsidiary of the Corporation and being the holder, indirectly of a promissory note issued by the Corporation secured by the assets of such subsidiary.

As considered necessary or desirable, the independent members of the Board of Directors are able to meet without the non-independent directors being present.

Directorships

Other than as follows, none of the current directors of the Corporation currently serve as a director of any other reporting issuer:

| Name | Reporting Issuer | Market |
|--------------|--|--|
| Norman Betts | Biotricity Inc. TRX Gold Corporation 49 North Resources Inc. Adex Mining Inc. Mimi’s Rock Corp. IntelliPharmaCeutics International Inc. | NASDAQ TSX TSX Venture Exchange TSX Venture Exchange TSX Venture Exchange TSX |
| Shawn Graham | IntelliPharmaCeutics International Inc. Kiaro Holdings Corp. | TSX TSX Venture Exchange |

Orientation and Continuing Education

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Corporation has not yet developed a formal orientation or training program for new directors or a formal continuing education program for existing directors. Nevertheless, through discussions and meetings with other directors, officers and employees, new directors will be provided with a thorough description of the Corporation’s business, properties, assets, operations and strategic plans and objectives. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

As part of its responsibility for the stewardship of the Corporation, the Board seeks to foster a culture of ethical conduct by requiring the Corporation to carry out its business in line with high business and moral standards and applicable legal and financial requirements.

In exercising their powers and discharging their duties, the Board is required to act honestly and in good faith with a view to the best interests of the Corporation, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to officers, directors, employees and consultants, to help

them recognize and deal with ethical issues; promoting a culture of honesty, integrity and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

The Board takes steps to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or an employee or consultant of the Corporation has a material interest, which include ensuring that such individuals are familiar with rules concerning reporting conflicts of interest and obtaining direction from the Board or a member of senior management of the Corporation regarding any potential conflicts of interest.

After completion of the Transaction, the Board intends to adopt a written code of business conduct and ethics (the “Code”), which will apply to all employees, contractors, consultants, officers and directors of the Corporation. The purpose of the Code is to, among other things, promote honest and ethical conduct, promote the avoidance of conflicts of interest, promote compliance with applicable laws, rules and regulations, provide guidance to employees, contractors, consultants, officers and directors of the Corporation to help them recognize and deal with ethical issues and help foster a culture of honesty and accountability for the Corporation. Once adopted by the Board, a copy of the Code will be filed with the regulators, in accordance with applicable legislation, and will be available under the Corporation’s profile on SEDAR at www.sedar.com.

After completion of the Transaction, the Board intends to adopt a written “Whistleblower Policy” which establishes procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing matters or violations of the Code; and (ii) the submission by employees, contractors, consultants, directors or officers of the Corporation, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations of the Code, any other policy, charter or mandate of the Corporation, or applicable laws, rules and regulations.

The Board has adopted an “Insider Trading and Blackout Period Policy” to ensure, among other things: (i) strict compliance by all insiders with all requirements relating to the reporting of insider trading and with respect to trading when in possession of “undisclosed material information” (as defined in the policy); and (ii) that individuals subject to scheduled and unscheduled blackout periods adhere to the restrictions on trading as set out in the policy.

Nomination of Directors

The Corporate Governance, Nominations and Compensation Committee, on behalf of the Board, is responsible for the nomination of directors and identifying new candidates for appointment to the Board. In that regard, the Board is also responsible for identifying the competencies and skills required for nominees to the Board, with a view to ensuring that the Board is comprised of directors with the necessary skills and experience to facilitate effective decision-making. The Board may retain external consultants or advisors to conduct searches for appropriate potential director candidates if necessary.

The Board will consider its size each year when it determines the number of directors to be nominated for election. The Board will identify and recommend new nominees as directors of the Corporation based upon the following considerations:

- (i) the competencies and skills necessary for the Board as a whole to possess;
- (ii) the competencies and skills necessary for each individual director to possess;
- (iii) the competencies and skills which each new nominee of the Board is expected to bring; and
- (iv) whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.

Mr. Shawn Graham is the Chair of the Corporate Governance, Nominations and Compensation Committee and Mr. Dennis Moir and Mr. Norman Betts are members of such committee.

Compensation

The Corporate Governance, Nominations and Compensation Committee is responsible for making recommendations regarding remuneration of Directors. The details of the current director remuneration policy and details of the remuneration paid to Directors for the last fiscal year are set out earlier in this Circular under the heading “*Statement of Executive Compensation – Director Compensation*”.

The Corporation's Executive Compensation Program is administered by the Board of Directors upon the recommendations of the Corporate Governance, Nominations and Compensation Committee, including the appointment and remuneration of executive

officers of the Corporation. The details of such remuneration are set out earlier in this Circular under the heading "*Statement of Executive Compensation*".

Diversity of the Board and Senior Management

To date, the Corporation has not adopted a formal written diversity policy and has not established targets with respect to the appointment of individuals to the Board or senior management who are women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities, members of visible minorities or who otherwise self-represent as being within designated groups (as that term is defined in the *Employment Equity Act* (Canada)). While the Corporation believes that nominations to the Board and appointments to senior management should be based on merit, the Corporation recognizes that diversity supports balanced debate and discussion which, in turn, enhances decision-making and the level of representation of women, Indigenous peoples, persons with disabilities and members of visible minorities is one factor taken into consideration during the search process for directors and members of the executive and senior management.

In assessing potential directors and members of the executive or senior management, the Corporation focuses on the skills, expertise, experience and independence which the Corporation requires to be effective. Given the stage of development of the Corporation's business, the Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process. The Corporation will include diversity (including the level of representation of members of designated groups) as a factor in its future decision-making when identifying and nominating candidates for election or re-election to the Board and for senior management positions.

Board Committees

The Corporation does not have any standing committees other than the Audit and Risk Management Committee and the Corporate Governance, Nominations and Compensation Committee.

The Audit and Risk Management Committee is responsible for monitoring the Corporation's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents, including the Corporation's annual audited financial statements and unaudited quarterly financial statements, and monitoring the performance and independence of the Corporation's external auditors. The Audit and Risk Management Committee is also responsible for reviewing with management the Corporation's risk management policies, the timeliness and accuracy of the Corporation's regulatory filings and all related party transactions as well as the development of policies and procedures related to such transactions.

The Corporate Governance, Nominations and Compensation Committee is responsible for, among other things: (i) annually reviewing, approving and recommending to the Board for approval the remuneration of the senior executives of the Corporation; (ii) reviewing and recommending to the Board for its approval the remuneration of directors; (iii) developing and submitting to the Board recommendations with regard to bonus entitlements, other employee benefits and bonus plans; (iv) reviewing on an annual basis the remuneration policies of the Corporation, including the total remuneration (including benefits) and the main components thereof for the directors and senior executives of the Corporation, and comparing such remuneration policies with the remuneration practices of peers in the same industry; (v) reviewing periodically bonus plans and any share-based compensation plans and considering these in light of new trends and practices of peers in the cannabis sector; (vi) identifying, evaluating and recommending Board candidates; (vii) evaluating Board structure and organization; and (viii) monitoring the effectiveness of and compliance with corporate governance policies and procedures.

In addition to the Audit and Risk Management Committee and the Corporate Governance, Nominations and Compensation Committee, independent committees will be appointed from time to time, when appropriate.

Assessments

The Board of Directors does not currently have a formal process for conducting annual assessments regarding the effectiveness of the Board of Directors itself and individual directors in fulfilling their responsibilities, as well as the adequacy of information provided to directors, communication between the Board of Directors and management and the strategic direction and processes of the Board of Directors.

Audit and Risk Management Committee Information

Composition of the Audit and Risk Management Committee

The Audit and Risk Management Committee of the Corporation is currently composed of the following three members: Norman Betts (Chair), Gaetan Lussier and Dennis Moir, each of whom has been determined by the Board of Directors to be independent. Based on the education and breadth and depth of experience of each member of the Audit and Risk Management Committee, the Board of Directors has determined each such member to be financially literate.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit and Risk Management Committee that is relevant to the performance of his responsibilities as a member of the Audit and Risk Management Committee.

Norman Betts

Dr. Norman Betts is a Professor, Faculty of Business Administration at the University of New Brunswick (UNB), a Chartered Professional Accountant Fellow (FCA, FCPA) and a member of the Institute of Corporate Directors (ICD.D). A recognized leader in corporate governance and strategy, Dr. Betts has served on the boards of the Bank of Canada, Export Development Canada, New Brunswick Power, and Tembec Inc., as well as a number of emerging companies including Biotricity Inc. and Adex Mining Inc. He is also a co-chair of the board of trustees of the UNB Pension Plan for Academic Employees. He was Minister of Finance and Minister of Business New Brunswick with the Province of New Brunswick (1999-2003). He was awarded a PhD in Management from the School of Business at Queen's University in 1992.

Gaetan Lussier

Mr. Lussier was a deputy-minister for 18 years of which 12 years were in Ottawa with Agriculture-Canada and Employment and Immigration. He was also President of Weston Bakery (Quebec) and CEO of Culinar, both food companies. Mr. Lussier has extensive Board experience having sat as a Director on various boards including Shoppers Drug Mart. Presently, Mr. Lussier sits on the Board of Directors of Aux Fines Herbes and MS3Food Inc. Mr Lussier received the Order of Canada in 1981 and brings various expertise to the Board of Canada House. Mr Lussier holds a B.S.A, M Sc, PhD and O.C.

Dennis Moir

Mr. Moir is an accomplished financial and operational executive with significant experience in strategy formulation and mergers and acquisitions. Throughout his career, spanning over 3 decades, Mr. Moir has held various senior financial and operational management positions with some of Canada's more progressive technology and digital communication companies including Chief Financial Officer of PC DOCS Group International, BlueCat Networks and most recently Chief Financial Officer and Chief Operating Officer of CNW Group (a.k.a. Canada Newswire).

Mr. Moir has over 18 years of solid board experience both as an executive and non-executive director. His most recent board positions include Chair of Habitat for Humanity Greater Toronto Area. He also currently sits as director for De'Longi Canada Inc.

Mr. Moir holds a Bachelor of Commerce degree from the University of Toronto, and is a CPA, CA. He is also a member of the Institute of Corporate Directors and holds an ICD.D.

Audit and Risk Management Committee Charter

The responsibilities and duties of the Audit and Risk Management Committee are set out in the Audit and Risk Management Committee's Charter, the text of which is attached as "Schedule A" to this Circular. The Charter was initially adopted on April 2, 2015 and amended and ratified by the Board of Directors on November 15, 2019.

Pre-Approval Policies and Procedures

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

AVAILABLE INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information about the Corporation is provided in the Corporation's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year.

Shareholders may request copies of the Corporation's financial statements and management's discussion and analysis by contacting the Corporation at 1-844-696-3349 or in person at 1773 Bayly Street, Pickering, Ontario, L1W2Y7.

OTHER MATTERS

Management of the Corporation is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Annual General and Special Meeting of Shareholders. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

DATED: July 22, 2022

**BY ORDER OF THE BOARD OF DIRECTORS OF CANADA HOUSE
WELLNESS GROUP INC.**

(signed) *"Chris Churchill-Smith"*

Chris Churchill-Smith
Chief Executive Officer

SCHEDULE "A"

CHARTER OF THE AUDIT AND RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS

The mandate, the functions and the responsibilities of the Audit and Risk Management Committee, are the following:

I. PURPOSE

1. The Audit and Risk Management Committee provides recommendations to the Board of Directors of the Corporation. Its primary function is to assist the Board in fulfilling its responsibilities towards the Shareholders of the Corporation and the financial community with respect to financial disclosure and controls.
2. The external auditors report to the Audit and Risk Management Committee.

II. DUTIES AND RESPONSIBILITIES

1. The Audit and Risk Management Committee oversees the integrity of the financial statements and review the financial reports and other financial disclosure of the Corporation which the Corporation may provide to any government, regulatory authority, or the public.
2. The Audit and Risk Management Committee recommends the appointment of the external auditors, review and assess their performance, ascertain their qualifications and independence, and maintain open communication lines between the external auditors, financial management, the executive officers and the directors of the Corporation.
3. The Audit and Risk Management Committee oversees the methods used for preparation of financial information, the application of internal controls and the rules for management of the business and financial risk, as well as compliance with the requirements of the Canadian Securities Exchange (Regulations).
4. The Audit and Risk Management Committee oversees the Corporation's compliance with the regulatory requirements of Health Canada and other governing bodies of the Canadian cannabis industry.

III. STRUCTURE AND ORGANIZATION

1. The Audit and Risk Management Committee shall be composed of at least three directors of the Corporation, the majority of whom shall not be employees, "control persons", officers of the Corporation or a person that is connected with any of the foregoing.

The Committee members and the president of the Committee are appointed by the Board of Directors. The Board of Directors may at any time, in its discretion, remove a member from the Audit and Risk Management Committee by resolution.

All the members of the Audit and Risk Management Committee must be "financially literate", that is, must have knowledge in financial matters to the satisfaction of the Board of Directors. The president of the Audit and Risk Management Committee must be an independent director.

2. The Committee shall meet at least four times a year and may convene additional meetings if circumstances require. All Audit and Risk Management Committee members are expected to attend each meeting, in person or via telephone or video-conference. The Committee may invite members of management, auditors or others to attend the meetings and provide pertinent information, if necessary. The quorum is a majority of the Committee.
3. The Committee must maintain open means of communication with the external auditors, financial management, the executive officers, the Quality Assurance Manager and the directors of the Corporation.

4. The Committee is empowered to investigate all questions that are brought to its attention and to consult advisors if, in its opinion, it is necessary.

5. The Committee shall be responsible for reviewing and recommending the following for approval by the Board:

- (a) The financial statements (annual and quarterly), the management's discussion and analysis and all other documents relating to the financial results of the Corporation to be filed with regulatory authorities such as securities commissions, prior to their filing or disclosure;
- (b) All documents containing or incorporating by reference the annual audited financial statements or the unaudited interim results (such as prospectuses or press releases announcing financial results) prior to their disclosure.

IV. GENERAL

1. Meet regularly with the external auditor, management and internal accountants in separate meetings to discuss questions raised by the Committee or others.

2. Keep minutes of all meetings. Report these proceedings and all recommendations to the Board of Directors at its next meeting.

3. Review this Charter annually and recommend such amendments to the Board of Directors as it may deem advisable.

4. Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from financial statements and periodically assess the adequacy of these procedures.

V. RECRUITMENT OF EXTERNAL AUDITOR

1. Recommend the selection of the external auditors to the Board of Directors, assess their independence and performance, and approve the audit fees and any other remuneration to be paid to them.

2. Study the independence of the external auditor. To this end, the Committee must look into the nature of the services furnished by the external auditor and the remuneration charged and all other questions that the Committee deems appropriate.

3. The external auditor is to be at the disposal of the Board of Directors at least once a year.

4. Pre-approve all permitted non-audit services provided to the Corporation or its affiliates by the external auditor.

VI. SUPERVISION OF THE QUALITY AND INTEGRITY OF THE PRACTICES REGARDING ACCOUNTING, AUDIT AND PUBLICATION OF FINANCIAL INFORMATION OF THE CORPORATION

1. Review the hiring policies regarding partners, associates and employees, past and present, of the present or former external auditors.

2. Oversee the work of the external auditor in the preparation and issuing of the auditor's report and other audit services. The Audit and Risk Management Committee will be responsible for the resolution of disagreements between management and the external auditors on financial reporting.
3. Review the financial statements, the management reports and the annual and interim earnings press releases concerning the results of the Corporation in cooperation with the management and the external auditor before the Corporation publicly discloses this information. The Committee should consider the quality of financial information and all other questions that it deems valid.
4. Review, in cooperation with the external auditors and management, the auditing objective, scope and limitations of the external auditors for the present and following year.
5. Review the annual report of the external auditor on the quality and effectiveness of the accounting controls, internal controls and controls of the computerized systems of the Corporation.
6. Establish procedures for the receipt, retention and treatment of complaints by employees, or other internal or external sources, concerning questionable accounting, internal accounting controls or auditing. These complaints must be treated in a confidential and anonymous way.
7. Review and approve all related party transactions entered into.

VII. PUNCTUALITY

1. Punctually review, in cooperation with management, all legal and statutory questions that could have an important effect on the financial statements and conformity policies or programs.
2. Review, in cooperation with management, and approve the operations by which members of management or the Board of Directors make disclosure in accordance with the requirements of the Regulation.
3. Supervise the compliance program and analyze periodically the relevance of making improvements to it and make suggestions in this respect to management.
4. Ensure that all other functions prescribed by law, statutes or internal regulations of the Corporation or by the Board of Directors are followed.
5. Review the fees for services rendered and related expenses and for any newly approved services since the preceding meeting and analyze updated account projections.
6. Review the insurance coverage of the Corporation annually to ensure that assets are properly covered, including, and without limitation, the liability insurance of senior executives and directors.

VIII. EMPOWERMENT

The Committee is empowered to:

1. Communicate directly with the external auditors.
2. Engage independent attorneys or other counselors that it deems necessary to the exercise of its functions and notify the Board on the range of the financing required for the remuneration of these counselors.

IX. DEFINITIONS

In accordance with National Instrument 52-110-*Audit Committees*:

Financially literate:

Refers to an individual who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be expected to be raised by the Corporation's financial statements.

Control Person:

Means any person that holds or is one of combination of persons that hold a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation or more than 20% of the outstanding voting securities of the Corporation, except where there is evidence showing that the holding of those securities does not affect materially the control of the Corporation.

Amended and ratified by the Board of Directors on November 15, 2019

THIS PAGE INTENTIONALLY LEFT BLANK

