

AMENDING AGREEMENT

This **AMENDING AGREEMENT** ("**Amending Agreement**") is made and entered into effective as of December 14, 2020 (the "**Effective Date**") by and between:

GESTION ERIK BERTACCHINI INC. (the "**Holder**")

<redacted - confidential information>

Attention: Erik Bertacchini

Email: <redacted - confidential information>

-and-

CANADA HOUSE CANNABIS GROUP INC.

1773 Bayly Street

Pickering, Ontario

L1W 2Y7

Attention: CEO

Email: chris.smith@canadahouse.ca

WHEREAS on June 12, 2020 (the "**Original issue Date**"), **CANADA HOUSE CANNABIS GROUP INC.** ("**Canada House**", together with the Holder, hereinafter sometimes collectively referred to as the "**Parties**"), issued a promissory note (the "**Note**") in the principal amount of \$4,166,666.33 to the order of the Holder;

AND WHEREAS Canada House and the Holder have agreed to amend the Note on the terms set out herein to provide for certain arrangements to be made in respect of a loan to be made to Canada House and to IsoCanMed Inc. (the "**Corporation**");

NOW, THEREFORE, in consideration of the above premises and the agreements of the Parties hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Section 4 of the Note is deleted and replaced with the following:

4. Security and Ranking.

(a) The obligations under this Note are secured by:

- (i) a general security agreement entered into between the Corporation and the Holder as of the date hereof (the "**General Security Agreement**"), which General Security Agreement is registered against all of the Corporation's assets; and
- (ii) the hypothecation to and in favour of the Holder of the universality of all of the Corporation's movable (personal) and immovable property and assets, corporeal (tangible) and incorporeal (intangible), present and future, of

whatever nature and wherever situated pursuant to a Deed of Hypothec, movable and immovable, registered in the province of Quebec as of the date hereof (the "**Deed of Hypothec**").

- (b) The security interest granted to the Holder pursuant to the General Security Agreement and the Deed of Hypothec shall rank subordinate to the security interest granted to Castleton Financial Ltd. ("**Castleton**") in respect of all amounts owing by the Corporation to Castleton pursuant to a loan agreement between the Corporation, Canada House and Castleton dated November 24, 2020 and accepted on our about November 30, 2020 in the principal amount of \$2,000,000 (the "**Castleton Loan**"). The Holder hereby consents to the Castleton Loan and the security interest to be granted thereunder and agrees to enter into any agreements and to take such other action as may be requested by Castleton in order to give effect to the foregoing subordination. Except for the foregoing, the security interest granted to the Holder shall rank in priority to any other security interest granted by the Corporation.
- (c) This note is part of a series of Notes having a total aggregate principal amount of \$12,500,000. The obligations of the Notes of this series shall rank *pari passu* with each other in all respects.

2. Section 5 of the Note is deleted and replaced with the following:

5. Repayments and Prepayments.

- (a) Canada House shall have the right at any time or times to prepay all or any portion of the principal amount of this Note and any accrued and unpaid Interest thereon without the consent of the Holder, and without penalty or notice.
- (b) Canada House shall be obligated to make repayments of the principal amount of this Note and any accrued and unpaid Interest thereon as follows, in each case subject to the prior approval by the Board of Directors of Canada House:
 - (i) in the event Canada House issues equity securities or securities convertible into or exercisable for equity securities, Canada House shall repay no less than 25% of the net proceeds from such issuance to the repayment of the principal amount of this Note and any accrued and unpaid Interest but only to the extent the purchasers of such equity securities consent to such repayment;
 - (ii) in the event Canada House and/or the Corporation obtain debt financing with no equity component (the "**Loan**") other than the Castleton Loan, 50% of the Loan amount shall be used for the repayment of the principal amount of this Note;
 - (iii) in the event Canada House disposes of its wholly-owned subsidiary Canada House Clinics Inc. ("**CHC**"), whether as a share sale or a sale of substantially all of the assets of CHC, and such disposition does not constitute a sale of all or substantially all of the assets of Canada House, Canada House shall apply towards the repayment of the principal amount of this Note and any accrued and unpaid Interest an amount not to exceed 30% of the net cash proceeds resulting from such disposition after the

Board of Directors of Canada House having reasonably made adequate provision for working capital, capital expenditures and other expenses for the eighteen month period following such disposition; and

- (iv) for each six (6) month period over the first thirty (30) months following the date hereof in which Canada House, on a consolidated basis: (i) realizes Cash Flow (as defined below) in excess of \$2,000,000 and (ii) has not less than \$3,000,000 in cash and cash equivalents on a consolidated basis as at the last day of each six (6) month period, Canada House shall apply 50% of the amount of cash and cash equivalents in excess of \$3,000,000 as at such period end to the repayment of the principal amount of this Note and any accrued and unpaid Interest. For the purpose of this Section 5(b)(iv), Cash Flow means:

Net Income
 + depreciation and amortization
 + noncash expenses (including stock-based compensation)
 - cash out flow from financing (any principal and or interest payments)
 - any capital expenditures
 - cash repayments of this Note

For clarity, the assessment set out in this Section 5(b)(iv) will be conducted on the 6, 12, 18, 24, and 30-month anniversaries of the date hereof.

3. The Note is amended by adding the following between Section 5 and Section 6 as Section 5.5:

5.5 Conversion.

- (a) The Holder may elect in its sole discretion to convert ("**Conversion**") an aggregate of up to, but not exceeding, \$666,666.67 of the principal amount owing hereunder (the "**Maximum Amount**"), into common shares in the capital of Canada House (each a "**Common Share**") to be issued by Canada House's transfer agent at a conversion price of \$0.05 per Common Share, as the same may be adjusted in accordance with the provisions hereof (the "**Conversion Price**").
- (b) In order to exercise such conversion right, the Holder shall give notice to Canada House. Such notice shall specify the quantum of principal amount in respect of which the Holder is electing to exercise the Conversion, up to the Maximum Amount. The Conversion of principal amount shall be deemed to constitute a contract between the Holder and Canada House whereby: (i) the Holder subscribes for the number of Common Shares which it shall be entitled to receive on such Conversion; (ii) the Holder releases Canada House from all liability under this Note with respect to the principal amount to be converted; and (iii) the surrender of this Note for Conversion of the applicable principal amount shall constitute full payment of the subscription price for the Common Shares issuable upon such Conversion. Such Conversion shall be deemed to be effective the date of the aforementioned notice is delivered to Canada House and at such time the rights of the Holder under this Note as a holder of the principal amount so converted shall cease and the Holder shall be deemed to have become on such date the holder of record of the Common Shares represented thereby. Canada

House shall deliver a replacement form of note representing the principal amount not so converted within ten (10) Business Days of receipt of the notice of Conversion from the Holder.

(c) The Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below:

(i) *Common Share Reorganization.* If and whenever at any time after the date hereof Canada House:

- A. issues Common Shares or securities exchangeable for or convertible into Common Shares to the holders of the Common Shares as a stock dividend;
- B. makes a distribution on its outstanding Common Shares payable in Common Shares or securities exchangeable for or convertible into Common Shares;
- C. subdivides or re-divides its outstanding Common Shares into a greater number of shares; or
- D. consolidates its outstanding Common Shares into a smaller number of shares,

(any of such events being called a "**Common Share Reorganization**");

then the Conversion Price will be adjusted effective immediately after the effective date or record date for the happening of a Common Share Reorganization, as the case may be, at which the holders of Common Shares are determined for the purpose of the Common Share Reorganization by multiplying the Conversion Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which is the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which is the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had all such securities been exchanged for or converted into Common Shares on such effective date or record date).

(ii) *Capital Reorganization.* If and whenever at any time after the date hereof there is a reclassification of the Common Shares outstanding at any time or a change of the Common Shares into other shares or into other securities (other than a Common Share Reorganization), or a consolidation, amalgamation, arrangement or merger of Canada House with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or a transfer of the undertaking or assets of Canada House as an entirety or substantially as an entirety to

another corporation or other entity (any of such events being called a "**Capital Reorganization**"), after the effective date of such Capital Reorganization, the Holder will be entitled to receive in lieu of the number of Common Shares to which the Holder was theretofore entitled upon a Conversion, the aggregate number of shares, other securities or other property which the Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Common Shares to which the Holder was theretofore entitled upon a Conversion. If determined appropriate by action of the directors of Canada House, appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 6 with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Section 6 will thereafter correspondingly be made applicable as nearly as may reasonably be practicable in relation to any shares, other securities or other property thereafter deliverable upon the exercise of a Conversion. Any such adjustment must be made by and set forth in an amendment to this Debenture approved by action of the directors of Canada House and will for all purposes be conclusively deemed to be an appropriate adjustment.

- (iii) In case Canada House after the date of this Note takes any action affecting the Common Shares, other than actions described above, which in the opinion of the board of directors of Canada House would materially affect the rights of the Holder hereunder, the Conversion Price will be adjusted in such manner, if any, and at such time, by action of the directors of Canada House, but subject in all cases to any necessary regulatory approval. Failure to take any action by the directors of Canada House so as to provide for an adjustment on or prior to the effective date of any action by Canada House affecting the Common Shares will be conclusive evidence that the board of directors of Canada House has determined that it is equitable to make no adjustment in the circumstances.

4. All terms of the Note not modified by this Amendment Agreement shall continue in full force and effect.
5. This Amendment Agreement shall become in force as of the Effective Date noted above.
6. Any capitalized word or term not otherwise defined herein shall have the meaning given thereto in the Note.
7. This Amending Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amending Agreement. The counterparts of this Amending Agreement may be executed and delivered by facsimile or other electronic signature by any of the parties to any other party and the receiving party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if the original had been received.

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IN WITNESS WHEREOF, the Parties have caused this Amending Agreement to be executed by their duly authorized representatives as of the Effective Date.

CANADA HOUSE WELLNESS GROUP INC.

By: *“Chris Churchill-Smith”*

Name: Chris Churchill-Smith Title: Chief
Executive Officer

GESTION ERIK BERTACCHINI INC.

By: *“Erik Bertacchini”*

Name: Erik Bertacchini
Title: President