

 Ontario
CERTIFICATE
This is to certify that these
articles are effective on

CERTIFICAT
Ceci certifie que les présents
statuts entrent en vigueur le

Ontario Corporation Number
Numéro de la société en Ontario

1861925

MAY 24 MAI, 2019

Barbara Ruskitt 17

Director / Directrice

Business Corporations Act / Loi sur les sociétés par actions

Form 3
Business
Corporations
Act

Formule 3
Loi sur les
sociétés par
actions

**ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION**

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)

Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT) :

L	I	N	E	A	G	E	G	R	O	W	C	O	M	P	A	N	Y	L	T	D	.									

2. The name of the corporation is changed to (if applicable) : (Set out in BLOCK CAPITAL LETTERS)

Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:

Date de la constitution ou de la fusion :

2001/07/11

(Year, Month, Day)
(année, mois, jour)

4. Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: minimum and maximum number of directors is/are:
Nombre d'administrateurs : nombres minimum et maximum d'administrateurs :

Number minimum and maximum
Nombre minimum et maximum

or
ou

5. The articles of the corporation are amended as follows:

Les statuts de la société sont modifiés de la façon suivante :

Please see pages 1(A) to 1(H) attached hereto and made a part hereof.

5.1 The authorized capital of the Corporation is hereby amended as follows:

- (a) By the creation of an unlimited number of Special Shares, issuable in series;
- (b) By the creation of 45,000,000 Series A Special Shares;
- (c) By the creation of 12,000,000 Series B Special Shares;
- (d) By the creation of 15,000,000 Series C Special Shares;

the Series A Special Shares, Series B Special Shares and Series C Special Shares (collectively, the "Special Shares"):

so that the authorized capital of the Corporation shall consist of an unlimited number of Common Shares, an unlimited number Preferred Shares and an unlimited number of Special Shares issuable in series, 45,000,000 Series A Special Shares, 12,000,000 Series B Special Shares and 15,000,000 Series C Special Shares.

SPECIAL SHARES

The following rights, privileges, restrictions and conditions shall be attached to the Special Shares:

ARTICLE 1 INTERPRETATION

1.1 Definitions

For purposes of these Special Share provisions:

- (a) "**Agris Purchase**" means the proposed purchase by the Corporation of all outstanding membership interest in Walnut Oaks, LLC d/b/a Agris Farms, which possess a cultivation facility in Yolo County, California.
- (b) "**Applicable Outside Date**" has the meaning set out in Section 7.1.
- (c) "**Board of Directors**" means the board of directors of the Corporation.
- (d) "**Common Shares**" means common shares in the capital of the Corporation or such other shares into which common shares may be reclassified, converted, exchanged, or otherwise changed.
- (e) "**Conversion Ratio**" means the number of Common Shares issuable for each one Special Share converted, which shall be the Initial Conversion Ratio, as adjusted in accordance with Article 5 hereof.
- (f) "**Corporation**" means Lineage Grow Company Limited.

- (g) “**CSE**” means the Canadian Securities Exchange.
- (h) “**FLRish RTO Transaction**” means the proposed reverse take-over transaction between the Corporation and FLRish, Inc. in accordance with the Merger Agreement.
- (i) “**Holders**” means, at any time, the registered holders of all outstanding Special Shares.
- (j) “**Initial Conversion Ratio**” means 1.0, meaning one (1) Common Share issuable for each one (1) Special Share converted.
- (k) “**Issuance Date**” means in respect of Special Shares, the date on which the Special Share is issued.
- (l) “**LUX Purchase**” means the proposed purchase by the Corporation of all outstanding shares of Lucrum Enterprises, Inc. (d/b/a Lux), a California corporation.
- (m) “**Material Adverse Effect**” means any change, effect, or circumstance (i) that is, in actuality, materially adverse to the business, assets, operations, or financial condition of Agris or LUX, as applicable, or (ii) that materially and adversely affects the ability of Agris or LUX, as applicable, to perform its obligations under the applicable purchase agreement with respect to the Agris Purchase and the LUX Purchase, as applicable, or to consummate the transactions contemplated thereby; provided, that, for purposes of this Schedule, a Material Adverse Effect will not include changes to the assets, operations or financial condition of Agris or LUX, as applicable, to the extent resulting from (a) changes that affect the industry or markets in which it operates, (b) any hurricane, earthquake or other natural disasters, (c) changes in general economic, regulatory or political conditions in the United States, (d) changes in GAAP, (e) changes in the United States debt or securities markets, (f) military action or any act of terrorism, (g) changes in currency exchange rates or commodities prices, (h) compliance with the terms of the applicable purchase agreement, or (i) any failure of Agris or LUX, as applicable, to meet projections or forecasts (provided that the underlying causes of such failure will be considered in determining whether there is or has been a Material Adverse Effect).
- (n) “**Merger Agreement**” means the merger agreement dated as of February 8, 2019 between the Corporation, Lineage Merger Sub Inc. and FLRish, Inc.
- (o) “**Redemption Price**” has the meaning set out in Section 7.2.
- (p) “**Reverse Stock Split**” means the consolidation of outstanding Common Shares into a smaller number of Common Shares.

- (q) "**Special Shares**" means the Special Shares in the capital of the Corporation, and includes the Series A Special Shares, Series B Special Shares and Series C Special Shares.
- (r) "**Series A Special Shares**" means the Special Shares designated as Series A Special Shares.
- (s) "**Series B Special Shares**" means the Special Shares designated as Series B Special Shares.
- (t) "**Series C Special Shares**" means the Special Shares designated as Series C Special Shares.

1.2 Delivery

Wherever in these Special Share provisions a delivery is to be made to a Holder, such delivery requirement shall be and shall be deemed to be satisfied by delivery to the last address of such Holder noted on the register maintained by or on behalf of the Corporation for the Special Shares.

ARTICLE 2 **VOTING AND DISSENT RIGHTS**

2.1 No Voting Rights

Except as required by law, the holders of the Special Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

2.2 Limitation on Class Votes

The holders of the Special Shares shall not be entitled to vote separately as a class or series, and shall not be entitled to dissent, upon a proposal to amend the articles of the Corporation to:

- (a) increase any maximum number of authorized shares of a class or series of a class having rights or privileges equal or superior to the Special Shares; or
- (b) create a new class or series of a class of shares equal or superior to the Special Shares.

ARTICLE 3 **DIVIDENDS**

3.1 No Entitlement to Dividends

The holders of the Special Shares shall not be entitled to any dividends.

ARTICLE 4
LIQUIDATION

4.1 Payment on Liquidation Event

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Special Shares shall not be entitled to share in any distribution of the property or assets of the Corporation.

ARTICLE 5
CONVERSION

5.1 Automatic Conversion

- (a) The Series A Special Shares will be automatically converted into Common Shares at the Conversion Ratio immediately after the completion of the FLRish RTO Transaction without payment of additional consideration or any further action from the holder.
- (b) The Series B Special Shares will be automatically converted into Common Shares at the Conversion Ratio immediately after the completion of the LUX Purchase without payment of additional consideration or any further action from the holder.
- (c) The Series C Special Shares will be automatically converted into Common Shares at the Conversion Ratio immediately after the completion of the Agris Purchase without payment of additional consideration or any further action from the holder.
- (d) If the Corporation terminates the Agris Purchase for reasons other than (i) the failure to receive regulatory approval for the Agris Purchase prior to the 180th day after the completion of the FLRish RTO Transaction; (ii) the discovery of an undisclosed Material Adverse Effect of at least ten percent (10%) of the total purchase price for the Agris Purchase; or (iii) the amount of the consideration for the Agris Purchase is in excess of the amounts set forth in Section 9.1(a) of the Merger Agreement, then the Series C Special Shares shall automatically be converted into Subordinate Voting Shares on the date of the termination of the Agris Purchase.
- (e) If the Corporation terminates the LUX Purchase for reasons other than (i) the failure to receive regulatory approval for the LUX Purchase prior to the 180th day after the completion of the FLRish RTO Transaction; (ii) the discovery of an undisclosed Material Adverse Effect of at least ten percent (10%) of the total purchase price for the LUX Purchase (which shall not include the potential litigation of Lux with respect to litigation titled White Wolf Farms v. American Redstone, Yolo County Superior Court Case No. CV18-848 and any associated matters); or (iii) the amount of the consideration for the LUX Purchase is in excess of the amounts set forth in Section 9.1(b) of the Merger Agreement, then

the Series B Special Shares shall automatically be converted into Subordinate Voting Shares on the date of the termination of the LUX Purchase.

5.2 Conversion Ratio

The number of Common Shares into which each Special Share is convertible shall initially be one Special Share for one Common Share (the "**Initial Conversion Ratio**"), as adjusted from time to time in accordance with Article 6.

5.3 Time of Conversion

Conversion of any Special Shares into Common Shares pursuant to this Article 5 shall be deemed to be effected:

- (a) in the case of a conversion of Series A Special Shares, immediately after the closing of the FLRish RTO Transaction;
- (b) in the case of a conversion of Series B Special Shares, immediately after the closing of the LUX Purchase or upon termination of the Agris Purchase in accordance with 5.1(d); and
- (c) in the case of a conversion of Series C Special Shares, immediately after the closing of the LUX Purchase or upon termination of the LUX Purchase in accordance with 5.1(e).

5.4 Effect of Conversion

At the time of the conversion of any Special Shares into Common Shares as provided in Section 5.1:

- (a) the rights of a Holder as a holder of the converted Special Shares shall terminate; and
- (b) each person in whose name any certificate for Common Shares is issuable upon such conversion is deemed to have become the holder of record of such Common Shares.

5.5 Mechanics of Conversion at the Option of the Corporation

- (a) Upon the conversion of any Special Shares into Common Shares pursuant to Section 5.1 hereof, any certificate or certificates formerly representing that Holder's Special Shares shall be cancelled and be of no force or effect without Holder surrendering such certificate or certificates.
- (b) The Corporation shall issue and deliver to such Holder, promptly and in the name shown on the certificate or certificates formerly representing the Special Shares so converted, a certificate or certificates for the number of Common Shares into which such Special Shares are converted.

5.6 Fractional Shares

No fractional Common Shares will be issued upon conversion of Special Shares. Any conversion that results in less than a whole number of Common Shares shall be rounded down to the next whole number.

ARTICLE 6

ADJUSTMENT TO CONVERSION RATIO

6.1 Initial Conversion Ratio

The initial Conversion Ratio in respect of the Special Shares shall be one (1), meaning one (1) Common Share for each one (1) Special Share converted and shall remain in effect until the Conversion Ratio is adjusted in accordance with the provisions of this Article 6.

6.2 Adjustments for Reverse Stock Splits

After the Issuance Date, the Conversion Ratio shall be adjusted upon a Reverse Stock Split, automatically and simultaneously with the Reverse Stock Split, such that the Conversion Ratio immediately following the Reverse Stock Split shall be equal to the product obtained by multiplying the Conversion Ratio immediately before the Reverse Stock Split by a fraction:

- (a) the numerator of which is the number of Common Shares issued and outstanding immediately after the Reverse Stock Split (for greater certainty, calculated on an undiluted basis); and
- (b) the denominator of which is the number of Common Shares issued and outstanding immediately before the Reverse Stock Split (for greater certainty, calculated on an undiluted basis).

6.3 Adjustments for Capital Reorganizations

If, following the Issuance Date, the Common Shares are changed or reclassified into the same or a different number of shares of any class or series of stock, whether by capital reorganization, reclassification or otherwise (other than in connection with a Reverse Stock Split), the Special Shares shall be convertible into such kind and number of such shares that a holder of a number of Common Shares equal to the number of Common Shares into which such Special Shares were convertible immediately prior to the change is entitled to receive upon such change.

6.4 Notification as to Adjustments

In each case of an adjustment or readjustment of the Conversion Ratio, the Corporation will promptly issue a press release and file applicable form(s) required by the CSE, showing such adjustment or readjustment, and stating in reasonable detail the facts upon which such adjustment or readjustment is based.

6.5 Further Adjustment Provisions

If, at any time as a result of an adjustment made pursuant to this Article 6, a Holder becomes entitled to receive any shares or other securities of the Corporation other than Common Shares upon surrendering Special Shares for conversion, the Conversion Ratio in respect of such other shares or securities will be adjusted after that time, and will be subject to further adjustment from time to time, in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Special Shares contained in this Article 6 as determined by the Board of Directors acting reasonably and in good faith, and the remaining provisions of these Special Shares provisions apply on the same or similar terms to any such other shares or securities as determined by the Board of Directors acting reasonably and in good faith.

ARTICLE 7 **REDEMPTION**

7.1 Automatic Redemption

Unless all of the Special Shares shall have otherwise been converted into Common Shares pursuant to Article 5 hereof on or prior to the date (the "**Applicable Outside Date**") that is:

- (a) with respect to Series A Special Shares, end of business on July 2, 2019 or such later date as approved by the board of directors of the Corporation;
- (b) with respect to Series B Special Shares, the 180th day after the completion of the FLRish RTO Transaction or such later date as approved by the board of directors of the Corporation;
- (c) with respect to Series A Special Shares, the 180th day after the completion of the FLRish RTO Transaction or such later date as approved by the board of directors of the Corporation;

the applicable Special Shares shall, on the first Business Day following the Applicable Outside Date, be automatically redeemed and shall be deemed to be redeemed in accordance with the applicable provisions of this Article 7 without any act by the Corporation or the Holders.

7.2 Redemption Price

The redemption price payable for each Special Share (the "**Redemption Price**") shall be C\$0.000001 per Special Share.

7.3 Redemption Mechanics

- (a) With respect to any redemption of Special Shares pursuant to Section 7.1 hereof, all applicable Special Shares redeemable on the Applicable Outside Date shall be deemed to have been redeemed on the applicable Outside Date without any further action from the Holder and without the Holding having to surrender the certificate or certificates representing such Holder's Special Shares redeemed.

- (b) The Redemption Price shall be satisfied, in the sole discretion of the Corporation, in cash, provided that no payment shall be made, and no compensation shall be provided for, any payment to a Holder that is less than C\$1.00. The Corporation shall deliver to such Holder promptly, a cheque of the Corporation in an amount equal to the aggregate Redemption Price for the Special Shares redeemed if the payment is C\$1.00 or more.

7.4 Time and Effect of Redemption

Upon the earlier of the date that (i) the Corporation deposits with the transfer agent, if any, for the Special Shares redeemed, or with a third party trust company selected by the Corporation for this purpose, the cash sufficient to satisfy the aggregate Redemption Price in respect of the Special Shares to be redeemed and (ii) a Holder receives payment in full of the Redemption Price, the rights of a Holder as a holder of the redeemed Special Shares shall terminate.

7.5 Notification as to Redemption

In each case of a redemption of Special Shares, the Corporation will promptly issue a press release and file applicable form(s) required by the CSE, showing details of the redemption including the date of the redemption, the number of Special Shares redeemed, and the basis for the redemption.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2019/05/16

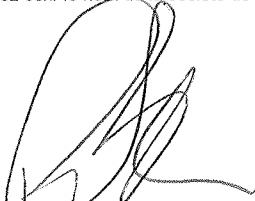
(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

LINEAGE GROW COMPANY LTD.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une).

By/
Par :



(Signature)
(Signature)

Peter Bilodeau

President

(Description of Office)
(Fonction)