

AGENCY AGREEMENT

February 18, 2021

Harborside Inc.
2100 Embarcadero, Suite 202
Oakland, CA 94606

Dear Sirs/Mesdames:

Beacon Securities Limited ("**Beacon**") and ATB Capital Markets Inc. ("**ATB**" and together with Beacon, the "**Agents**"), understand that Harborside Inc. ("**Harborside**" or the "**Company**") proposes to issue and sell SVS Units (as defined herein) and MVS Units (as defined herein) subject to the terms and conditions of this Agreement (as defined herein) for aggregate gross proceeds of up to \$30,524,386.96 (the "**Initial Offering**"). The Agents have been granted an option to increase the size of Initial Offering by, and to sell or purchase from the Company, up to an additional 15% of the Offered Units (as defined herein) issued pursuant to the Offering, exercisable any time until 48 hours prior to the Closing Date (as defined herein) (the "**Agents' Option**", together with the Initial Offering, the "**Offering**").

Each unit (the "**SVS Unit**") issued to investors that are not U.S. Residents (as defined below) shall be comprised of one subordinate voting share in the capital of the Company (each, a "**SVS**") and one SVS purchase warrant of the Company (each, a "**SVS Warrant**") and sold at a price of \$2.55 per SVS Unit. Each SVS Warrant shall be exercisable to acquire one SVS (a "**SVS Warrant Share**") at a per SVS exercise price of \$3.69, for a period of 36 months following the Closing Date.

Each unit (the "**MVS Unit**", together with the SVS Units, the "**Offered Units**") issued to investors that are considered residents of the United States under the U.S. Exchange Act ("**U.S. Residents**") shall be comprised of one multiple voting share in the capital of the Company (each, a "**MVS**", together with the SVS, the "**Offered Shares**") and one MVS purchase warrant of the Company (each, a "**MVS Warrant**", together with the SVS Warrants, the "**Offered Warrants**") and sold at a price of \$255 per MVS Unit. Each MVS Warrant shall be exercisable to acquire one MVS (together with the SVS Warrant Shares, the "**Offered Warrant Shares**", and together with the Offered Units, the Offered Shares, the Offered Warrants, and the Broker Warrants, the "**Offered Securities**") at a per MVS exercise price of \$369, for a period of 36 months following the Closing Date.

In the event the volume weighted average trading price of the SVS on the CSE (as defined herein), or other principal exchange on which the SVS are listed, is greater than \$7.38 for 20 consecutive trading days, the Company may, within 10 business days of the occurrence of such event, accelerate the expiry date of the Offered Warrants by providing written notice to Odyssey Trust Company, as warrant agent, which shall promptly deliver such notice to the holders of the Offered Warrants in accordance with the Warrant Indenture (as defined herein). The Offered Warrants shall expire on the date that is thirty (30) calendar days immediately following the giving of such written notice to the holders of the Offered Warrants.

Upon and subject to the terms and conditions contained in this Agreement, the Company hereby appoints the Agents as its exclusive agents to solicit offers to purchase the Offered Units. The Agents hereby accept their appointment to act as the Company's exclusive agents in the solicitation of offers to purchase the Offered Units and agrees to use their best efforts to sell the Offered Units in accordance with the terms and conditions of this Agreement.

The Offered Units are being offered and sold on a private placement basis in each of the provinces and territories of Canada, in the United States (including the individual states thereof), and in each other jurisdiction agreed to between the Company and the Agents (collectively the “**Qualifying Jurisdictions**”): (i) in accordance with National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) without the filing of a prospectus; (ii) to, or for the account or benefit of, persons in the United States, its territories and possessions, any State of the United States and the District of Columbia (collectively, the “**United States**”) and “U.S. persons” (as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act (as defined herein)) (“**U.S. Persons**”) who are either (A) an “accredited investor,” as such term is defined in Rule 501(a) of Regulation D (“**Regulation D**”) under the U.S. Securities Act (an “**Accredited Investor**”) or (B) a “qualified institutional buyer” as such term is defined in Rule 144A under the U.S. Securities Act, who is also an Accredited Investor (a “**Qualified Institutional Buyer**”); and (iii) in such other jurisdictions agreed between the Company and the Agents in accordance with applicable private placement exemptions in such jurisdictions (collectively, with paragraphs (i) and (ii) above, the “**Exemptions**”). Offers to purchase the Offered Units solicited by the Agents will be subject to acceptance by the Company and to the requirements of applicable Securities Laws (as defined herein) or other applicable Laws (as defined herein). The Company will have the sole right to accept offers to purchase Offered Units and reserves the right to, in its absolute discretion, reject any proposed purchase of Offered Units, in whole or in part. For greater certainty, the Agents are under no obligation to purchase any Offered Units.

Offered Units offered and sold to, or for the account or benefit of, persons in the United States or U.S. Persons pursuant to this Agreement (including, without limitation, Schedule “B” hereto) shall be offered by the Agents, through their U.S. Affiliates (as defined herein), for sale directly by the Company to purchasers of the Offering (the “**Purchasers**”) designated by the Agents, in transactions in compliance with this Agreement (including, without limitation, Schedule “B” hereto). The Company and the Agents hereby acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and the Offered Units may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons except to Accredited Investors and Qualified Institutional Buyers pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (a) Section 4(a)(2) of the U.S. Securities Act and Regulation D promulgated thereunder or (b) Rule 144A promulgated under the U.S. Securities Act (as applicable), and in transactions that are exempt from or not subject to the registration or qualification requirements of applicable state securities laws. Accordingly, the Company and the Agents hereby agree that all offers and sales of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons will be conducted only in the manner specified in this Agreement (including, without limitation, Schedule “B” hereto, which terms and conditions are hereby incorporated by reference in and form a part of this Agreement).

1. Interpretation

In this Agreement, the following terms shall have the following meanings:

“**Act**” means the *Securities Act* (Ontario);

“**affiliate**” and “**associate**” have the respective meanings given to such terms under the Act;

“**Agreement**” means this agreement resulting from the appointment by the Company of the Agents and the Agents’ acceptance of such appointment hereunder, and the terms “**hereof**”, “**hereunder**” and similar expressions refer to this Agreement and not to any particular Section or other portion hereof, as the same may be amended, restated, supplemented or otherwise modified from time to time;

“Authorization” means any order, permit, approval, consent, waiver, license, qualification, registration or similar authorization of any Governmental Body having jurisdiction over a person or property;

“Business Day” means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Toronto, ON or New York, NY;

“Cannabis” means “marijuana”, as such term is defined in the *United States Controlled Substances Act*, 21 USC 801 *et seq.*, as amended.

“CDS” has the meaning given to that term in Section 9;

“Closing” means the completion of the purchase and sale of the Offered Units as contemplated by this Agreement;

“Closing Date” has the meaning given to that term in Section 9;

“Closing Time” has the meaning given to that term in Section 9;

“Company” has the meaning given to that term in the first paragraph of this Agreement and includes any successors or permitted assigns;

“Company’s knowledge” means the actual knowledge of Peter Bilodeau, Tom DiGiovanni and Jack Nichols after making reasonable inquiry into the relevant matter;

“Corporate Entities” means collectively the Company and each of its Subsidiaries.

“COVID-19 Pandemic” means the pandemic resulting from the novel coronavirus disease (COVID-19);

“CSE” means the Canadian Securities Exchange.

“Distribution” means **“distribution”** or **“distribution to the public”**, as the case may be, for the purposes of applicable Securities Laws;

“Entourage” means Entourage Effect Capital, LLC;

“Financial Statements” means: (i) the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2020 and 2019; and (ii) the audited consolidated financial statements of the Company as at and for the year ended December 31, 2019 and the report of the auditors thereon, each as made part of the Public disclosure Documents;

“Form 45-106F1” means the Form 45-106F1 – *Report of Exempt Distribution*;

“Governmental Body” means any:

- (i) multinational, federal, provincial, municipal, local or other governmental or public department, regulatory authority, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign;

- (ii) any subdivision or authority of any of the foregoing; or
- (iii) any quasi-governmental, or self-regulatory organization;

“Grantors” means LGC Holdings USA, Inc., LGC Real Estate Holdings, LLC, LGC Real Estate (Colorado), LLC, LGC Operations, LLC, Lineage GCL Oregon Corporation, LGCLORDIS1, LLC, LGCLORDIS2, LLC, Lineage GCL California, LLC, FLRish, Inc., FLRish IP, LLC, FLRish Retail, LLC, FLRish Retail JV, LLC, FLRish Retail Management & Security Services, LLC, FLRish Retail Affiliate, LLC, Savature Inc., SaVaCa, LLC, FFC1, LLC, FLRish Farms Cultivation 2, LLC, FLRish Farms Cultivation 7, LLC, Patients Mutual Assistance Collective Corporation, San Jose Wellness Solutions Corp, and San Leandro Wellness Solutions Inc.;

“IFRS” means International Financial Reporting Standards;

“Intellectual Property” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and nonpublic business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) computer systems, software, data and related documentation; (viii) right, title and interest as licensee or authorized user of any of the aforementioned intellectual property; and (ix) any other intellectual property and industrial property;

“Investor Presentation” means the investor presentation, and any supplements to such investor presentation, prepared by the Company, dated January 2021;

“Laws” means any and all applicable laws, including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or policies or guidelines of (or issued by) Governmental Bodies, or Authorizations binding on or affecting the person referred to in the context in which the word is used;

“Lease” has the meaning ascribed thereto in Section 6(kk);

“Licensed Subsidiaries” means Patients Mutual Assistance Collective Corporation, San Jose Wellness, San Leandro Wellness Solutions Inc., and FLRish Farms Cultivation 2, LLC, and LGCLORDIS2 LLC;

“Lien” means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation, but shall exclude liens granted to a landlord under an executed lease agreement for the Company or its Subsidiaries;

“Material Adverse Effect” means any event or change that, individually or in the aggregate with other events or changes, is or would reasonably be expected to be, materially adverse to the business, operations, assets, properties, capital, prospects, condition (financial or otherwise) or liabilities, whether contractual or otherwise, of the Company or its Subsidiaries, or the ability of the Company to consummate the transactions contemplated by this Agreement; provided that a Material Adverse Effect shall not include an adverse effect resulting from a change: (i) that arises out of a matter that has been publicly disclosed in the Public Disclosure Documents or otherwise disclosed in writing by the Company to the Agents prior to the date of this Agreement; (ii) that results from general economic, financial, currency exchange, interest rate or securities market conditions in Canada or the United States; (iii) that is a direct result of any matter permitted by this Agreement or consented to in writing by the Agents; or (iv) that arises out of any event, change, circumstance or situation related to the novel coronavirus (COVID-19);

“material change”, “material fact” and “misrepresentation” have the respective meanings given to those terms under applicable Securities Laws;

“Material Subsidiary” means LGCLORDIS 2, LLC, FLRish, Inc., FLRish IP, LLC, FLRish Retail, LLC, FLRish Retail Management & Security Services, LLC, FLRish Retail Affiliates, LLC, Savature Inc., SaVaCa, LLC, FFCI, LLC, FLRish Farms Cultivation 2, LLC, Patients Mutual Assistance Collective Corporation, San Jose Wellness Solutions Corp., San Leandro Wellness Solutions Inc., and Haight Acquisition Corporation;

“Permitted Liens” means any Lien permitted pursuant to the Security Agreement;

“Person” means and includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or Company (with or without share capital), joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative, Governmental Body or other organization or entity, whether or not a legal entity, however designated or constituted;

“Personally Identifiable Information” means any information that alone or in combination with other information held a person or entity can be used to specifically identify a person including but not limited to a natural person’s name, street address, telephone number, e-mail address, photograph, social insurance number, driver’s license number, passport number, credit or debit card number or customer or financial account number or any similar information that is treated as **“Personally Identifiable Information”** under any applicable laws;

“President’s List Subscribers” means the Purchasers of Offered Units referred to the Agents by the Company in writing on February 18, 2021, including Entourage;

“Public Disclosure Documents” means any information which has been filed on the SEDAR website at www.sedar.com by the Company pursuant to Securities Laws since April 26, 2019;

“Securities Commissions” means, collectively, the securities commission or securities regulatory authority in each of the Qualifying Jurisdictions;

“Securities Laws” means all applicable securities laws in each of the Qualifying Jurisdictions in Canada and the respective regulations made thereunder, together with applicable published policy

statements, notices, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in all of the Qualifying Jurisdictions or, as the context may require, any one or more of the Qualifying Jurisdictions;

“**Security Agreement**” means the agreement dated November 17, 2020, between Peter Kampian, as collateral agent, the Company and the Grantors, as may be amended from time to time,

“**Subscription Agreement**” means the subscription agreements to be entered into at the Closing Time between the Company and each of the Purchasers of Offered Units setting out the contractual relationship between the Company and such Purchasers, in form and substance satisfactory to the Company and the Agent;

“**Subsidiary**” has the meaning given to that term in NI 45-106;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**Transactional Documents**” means collectively this Agreement, the Subscription Agreements, and the Warrant Indenture;

“**U.S. Affiliates**” means the United States registered broker-dealer affiliate of the Agents;

“**U.S. Federal Cannabis Laws**” means United States federal law as it applies to the cultivation, distribution, possession, and any other activity relating to Cannabis and/or its products, derivatives, and/or component parts, including, without limitation, the CSA, together with all guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any federal governmental authority relating thereto, each as may be in effect and/or amended from time to time;

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder; and

“**Warrant Indenture**” means the warrant indenture dated February 18, 2021 between Odyssey Trust Company as warrant agent and the Company in relation to the Offered Warrants.

2. Agency Fee

In consideration of the services rendered and to be rendered by the Agents in connection with the Offering, the Company agrees to pay to the Agents a fee equal to (i) 6.0% of the gross proceeds raised in respect of the Offering (the “**Cash Commission**”); and (ii) broker warrants (the “**Broker Warrants**”), evidenced by a certificate in the form attached hereto as Schedule “A”, exercisable for the acquisition, for a period of 12 months following the Closing Date, of the number of SVS Units at an exercise price of \$2.55 per SVS Unit equal to 6.0% of the sum of: (a) SVS Units sold pursuant to the Offering; and (b) MVS Units multiplied by 100 sold pursuant to the Offering (collectively, with the Cash Commission, but subject to the next following paragraph, the “**Agency Fee**”).

For greater certainty, no Cash Commission or Broker Warrants will be payable or issuable for Offered Units sold to Entourage for gross proceeds of up to \$8,960,000; provided that if gross proceeds for Offered Units sold to Entourage exceed \$8,960,000 (such excess amount, the “**Entourage Excess Offering**”), half the Agent’s Fee and half the Broker Warrants would apply for the issuance or sale of Offered Units to Entourage for the Entourage Excess Offering. Further half the Agent’s Fee and Broker Warrants would also apply for the issuance or sale of Offered Units to senior officers/directors of the Company, and the President’s List Subscribers, to be mutually agreed between the Company and the Agents.

If the Company agrees to pay a fee to any person other than the Agents in connection with the Offering (including any other financial adviser to the Company), such fee shall be for its own account and shall not reduce the amount payable to the Agents. All of the Broker Warrants shall be issued by the Company to the Agents promptly after the Closing Date.

3. Sale on Exempt Basis

- (a) The Company will file or cause to be filed all documents required to be filed by the Company in connection with the transactions contemplated by this Agreement so that the Offering may be effected in a manner exempt from the prospectus requirements of the Securities Laws, including the Form 45-106F1, pursuant to NI 45-106, and any equivalent form in any Qualifying Jurisdiction. The Agents shall deliver to the Company, as soon as practicable and, in any event, by no later than two Business Days after Closing, in order to allow the Company to comply with all Securities Laws and other regulatory requirements applicable in the Qualifying Jurisdictions (including the timely filing of the Form 45-106F1), the full name, residential address or address for service, telephone number, email address, corporate account number, and the aggregate principal amount of Offered Units purchased by each Purchaser to whom the Agents have sold Offered Units.
- (b) None of the Company, the Agents nor any of their respective affiliates shall provide to prospective Purchasers any document or other material that would constitute an offering memorandum within the meaning of Securities Laws other than documents agreed upon in writing by the Company and the Agents, including the Investor Presentation, and the Offering will not be advertised in any newspaper, magazine, printed media or similar medium of general and regular paid circulation, broadcast over radio or television or by means of the internet and no seminar or meeting relating to the Offering whose attendees have been invited by general solicitation or advertising will be conducted.
- (c) The Company shall permit the Agents to conduct any due diligence investigations which it reasonably requires in order to fulfil its obligations as agents under applicable Securities Laws.
- (d) The Agents covenant and agree that they and the U.S. Affiliates will only solicit subscriptions for Offered Units in accordance with the terms and conditions of this Agreement and in compliance with applicable Securities Laws, to persons who represent themselves as being a resident in one of the Qualifying Jurisdictions and for whom an Exemption is available.
- (e) During the course of the distribution of the Offered Units by or through the Agents, the Agents will solicit offers for the Offered Units only in those jurisdictions where they may be

lawfully offered for sale or sold. The Agents will comply with applicable Securities Laws in connection with the distribution of the Offered Units.

- (f) The Agents will obtain from each Purchaser and deliver to the Company at or before the Closing Time duly completed and executed Subscription Agreements from each of the proposed Purchasers of Offered Units.
- (g) The Agents will complete the distribution of the Offered Units and in any event, in time for the Company to comply with all Securities Laws and other regulatory requirements applicable in the Qualifying Jurisdictions. The Agents will provide the Company with a written breakdown of the number of Offered Units distributed in each of the Qualifying Jurisdictions where that breakdown is required by the relevant Securities Commission for the purpose of calculating fees payable to that Securities Commission.
- (h) The Agents will be permitted, subject to the written consent of the Company (such consent not to be unreasonably withheld), to appoint at their sole expense, other registered dealers or brokers as their agents to assist in the distribution of the Offered Units, provided that the Agents shall be the only bookrunners and agents of the Offering. The Agents shall comply, and shall require any such dealer or broker with which the Agents have a contractual relationship in respect of the distribution of the Offered Units (a “**Selling Firm**”), to comply with applicable Securities Laws in connection with the distribution of the Offered Units and to offer the Offered Units for sale upon the terms and conditions set forth in the Subscription Agreement and this Agreement.

4. Material Change

- (a) The Company will promptly inform the Agents in writing during the period prior to the Closing of the full particulars of:
 - (i) any material change in or affecting the business, operations, condition (financial or otherwise) or results of operations of the Company and its Subsidiaries (taken as a whole); and
 - (ii) any press release of the Company disclosing information that would constitute a material fact.
- (b) During the period commencing on the date hereof and ending on the date the Agents notify the Company of the completion of the distribution of the Offered Units, the Company will, and will cause each of the Corporate Entities to, promptly inform the Agents of the full particulars of: (i) any document required to be filed by the Company on its SEDAR profile; and (ii) any notice or other correspondence received by any of them from any Governmental Body commencing or threatening any investigation into any of the Corporate Entities or their businesses to the extent any such investigation could reasonably be expected to result in a Material Adverse Effect.

5. Regulatory Approvals

The Company will, and will cause each of the Corporate Entities to, make, within the time periods provided for under applicable Laws, all necessary filings and use its commercially reasonable efforts to obtain all necessary regulatory consents and approvals, if any, and the Company will pay or cause to be

paid by the other Corporate Entities all filing fees required to be paid, in each case in connection with the transactions contemplated by this Agreement.

6. Representations and Warranties of the Company

The Company represents and warrants to the Agents and acknowledges that the Agents are relying upon such representations and warranties, that:

- (a) **Organization, Good Standing and Qualification.** The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and has all requisite corporate power and authority to own, lease and operate its properties and assets and carry on its business as now conducted, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing their dissolution or winding up. The Company is (i) duly qualified to conduct business; (ii) is in compliance with all applicable Laws (with the exception of U.S. Federal Cannabis Laws), except where failure to be so in compliance could not be expected, individually or in the aggregate, to have a Material Adverse Effect; and (iii) is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary. The Company has full corporate power and authority to enter into this Agreement and each other Transactional Document, and to perform its obligations set out herein and therein.
- (b) **Subsidiaries.** Each of the Subsidiaries is a corporation or other legal entity duly formed and validly existing under the laws of the jurisdiction in which it was formed, and all have the requisite power and capacity and are qualified and hold all necessary material permits, licenses and authorizations necessary to carry on business as now conducted, and to own, lease or operate their properties and assets, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing their dissolution or winding up. Each Subsidiary is (i) qualified to conduct business in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary; (ii) is in compliance with all applicable Laws (with the exception of U.S. Federal Cannabis Laws), except where such failure to be in compliance could not be expected, individually or in the aggregate, to have a Material Adverse Effect; and (iii) is in good standing in each jurisdiction in which such Subsidiary is incorporated. All of the issued and outstanding capital stock or other equity or ownership interests of each Subsidiary has been duly authorized and validly issued, are fully paid and nonassessable, and are owned by the Company, directly or through Subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance or adverse claim. There exist no options, warrants, purchase rights, or other contracts or commitments that could require the Company to sell, transfer or otherwise dispose of any of the issued securities of the Subsidiaries that it beneficially owns. Except as disclosed to the Agents in writing, there exist no options, warrants, purchase rights, or other contracts or commitments requiring any of the Subsidiaries to issue additional securities to a Person other than the Company.
- (c) **Authorization.**
 - (i) All corporate action on the part of the Company and their officers, directors and shareholders necessary for the authorization, execution and delivery of the Transactional Documents and the performance of all obligations of the Company

hereunder and thereunder, and the authorization, issuance (or reservation for issuance), sale and delivery of the Offered Securities has been taken or will be taken prior to the Closing, and the Transactional Documents constitute valid and legally binding obligations of the Company enforceable in accordance with their respective terms, except: (A) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally; and (B) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

- (ii) The execution and delivery of the Transactional Documents and the performance and carrying out of any provision thereof by the Company, will not: (A) result in a breach of the terms, conditions, or provisions of any material agreement of the Company or its Subsidiaries or (B) violate any provision of applicable Law, any order of any court applicable to the Company or their constating documents.
 - (iii) This Agreement has been duly authorized, executed and delivered by the Company.
- (d) **CSE Compliance.** The Company is, and will at the Closing Time be, in compliance in all material respects with the by-laws, policies, rules and regulations of the CSE existing on the date hereof. The SVS will be listed and posted for trading on the CSE and neither the Company nor its Subsidiaries has taken any action that would reasonably be expected to result in the delisting or suspension of the SVS on or from the CSE.
- (e) **Share Capital of the Company.** The authorized and issued share capital of the Company consists of an unlimited number of SVS of which 26,676,858 were issued and outstanding as at the close of business on February 17, 2021, and an unlimited number of MVS of which 180,696.42 were issued and outstanding as of the close of business on February 17, 2021. Neither the Company nor the Subsidiaries are party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any securities of the Company or its Subsidiaries.
- (f) **No Cease Trade Orders.** Except as disclosed in the Public Disclosure Documents, no order ceasing or suspending trading in the securities of the Company or prohibiting the sale of securities by the Company has been issued by an exchange or securities regulatory authority, and no proceedings for this purpose have been instituted, or are, to the Company's knowledge, pending, contemplated or threatened.
- (g) **Valid Issuance.** The Company has taken, or will have taken prior to the Closing Time, all necessary corporate action to: (A) authorize, and upon receipt of the applicable purchase price therefor, validly issue, as fully paid and non-assessable, the Offered Securities; and (B) reserve the Offered Securities for issuance, and upon exercise of the Offered Warrants and the Broker Warrants in accordance with their terms, and upon receipt of the applicable purchase price therefor, the underlying Offered Shares and Offered Warrant Shares, respectively, will be issued and delivered by the Company, as validly issued, fully paid and non-assessable SVS and MVS, as applicable. The Company has complied with the applicable Securities Laws, in all material respects, in connection with the offer, sale and issuance of the Offered Securities. The issuance and sale of the Offered Securities is not subject to any pre-emptive rights, rights of first refusal or other similar rights to subscribe

for or purchase the Offered Securities, Offered Shares or Offered Warrants, except for such rights as have been duly waived or exercised.

- (h) **Reporting Issuer.** The Company: (A) is a “reporting issuer” within the meaning of the applicable Securities Laws, in British Columbia, Alberta and Ontario; and (B) is not in default of any material requirement of the applicable Securities Laws.
- (i) **No Proceedings for Dissolution.** No act or proceeding has been taken by or against the Company or any of its Subsidiaries in connection with their liquidation, winding-up or bankruptcy, or to their knowledge are pending.
- (j) **Governmental Consents.** Other than customary post-closing filings required by Securities Laws or consents required to realize on any security provided by the Company pursuant to the Security Documents, and with the exception of any U.S. Federal Cannabis Laws, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, Canadian or of U.S. federal, provincial, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement or, to the extent any such consents, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings with any such authorities on the part of the Company are required in connection with the consummation of the transactions contemplated herein, they shall have been obtained prior to, and be effective as of, the Closing.
- (k) **Litigation.** Except for as disclosed in the Public Disclosure Documents, there is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or, to the Company’s knowledge, threatened, against the Company, its Subsidiaries, their property or respective directors or officers, that would reasonably be expected to have a Material Adverse Effect, nor is the Company aware of any basis for the foregoing. Except for as disclosed in the Public Disclosure Documents, neither the Company, its Subsidiaries nor, to the knowledge of the Company, their respective officers or directors, is a party, or is named as subject, to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. Except as disclosed to the Agents or as disclosed in the Public Disclosure Documents, there is no material action, suit, proceeding or investigation by the Company or its Subsidiaries pending or which either the Company or its Subsidiaries intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings or investigations pending or threatened in writing (or any basis therefor known to the Company) involving the prior employment of any of the Company or its Subsidiaries’ employees, their services provided in connection with the Company’s business, or any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.
- (l) **Compliance with Other Instruments.** The Company and its Subsidiaries are not in violation or default of any material provisions of their constating documents, any order, judgment, writ, or decree, or under any note, indenture, debt instrument, lease, agreement, contract or purchase order to which it is a party or by which it is bound or, of any provision of any Law applicable to the Company or any of its Subsidiaries, other than in respect of U.S. Federal Cannabis Laws, except to the extent any such violation or default could be expected, individually or in the aggregate, to have a Material Adverse Effect. The execution, delivery and performance of the Transactional Documents and the

consummation of the transactions contemplated thereby will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either a default under any such material provision, instrument, judgment, order, writ, decree or contract or an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture or non-renewal of any material permit or license applicable to the Company.

(m) **Agreements; Action.**

(i) Except for as disclosed in the Public Disclosure Documents, there are no agreements, understandings, instruments, contracts, proposed transactions, judgments, orders, writs or decrees to which the Company or any of its Subsidiaries is a party or by which it is bound that may involve: (A) obligations (contingent or otherwise) of, or payments to, the Company or its Subsidiaries outside of the ordinary course; (B) the license of any patent, copyright, trademark, trade secret or other proprietary right to or from the Company or its Subsidiaries; (C) the grant of rights to license, market or sell products; (D) the grant of any lien or security interests in the material assets of the business; or (E) provisions restricting or affecting the development, ability to transfer or move, or distribution of the Company or its Subsidiaries' products or services.

(ii) Since the date of the Financial Statements, other than as disclosed in the Public Disclosure Documents, the Company or its Subsidiaries have not: (A) incurred any indebtedness for money borrowed that has not been repaid and released or any other liabilities individually or in the aggregate in excess of U.S.\$1,000,000; (B) made any loans or advances to any person, other than in the ordinary course of business; or (C) sold, exchanged or otherwise disposed of any of its assets or rights other than in the ordinary course of business.

(iii) For the purposes of subsections (i) and (ii) above, all indebtedness, liabilities, agreements, understandings, instruments, contracts and proposed transactions involving the same person or entity (including persons or entities the Company has reason to believe are affiliated therewith) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsections. Neither the Company nor any Subsidiary is a guarantor of any other person, entity or business, other than the Subsidiaries pursuant to the Leases.

(n) **Related-Party Transactions.** Other than as disclosed in the Public Disclosure Documents, no employee, officer, director or shareholder of the Company or any Subsidiary, or member of his or her immediate family or any "affiliate" or "associate" of such persons (as defined under Securities Laws) is indebted to the Company or its Subsidiaries, nor is the Company or its Subsidiaries indebted (or committed to make loans or extend or guarantee credit) to any of them for indebtedness. Other than as disclosed in the Public Disclosure Documents, no officer, director or, to the Company's knowledge, employee or shareholder of the Company or any Subsidiary has any direct or indirect ownership interest in any firm or corporation with which the Company or its Subsidiaries are affiliated or with which the Company or any Subsidiary has a material business relationship, or any firm or corporation that competes with the Company or any Subsidiary, except to the extent that employees, officers, directors or shareholders of the Company or any Subsidiary and

members of their immediate families own shares in publicly traded companies that may compete with the Company or any Subsidiary. Other than as disclosed in the Public Disclosure Documents, no officer, director or, to the Company's knowledge, employee or shareholder of the Company or any Subsidiary or member of his or her immediate family or any "affiliate" or "associate" thereof is directly or indirectly interested in any material contract or agreement to which the Company or its Subsidiaries are a party or by which it is bound, and none of such persons has any material interest, direct or indirect, in any transaction or any proposed transaction with the Company or any Subsidiary which, as the case may be, materially affects, is material to, or will materially affect, the Company or any Subsidiary.

- (o) **Permits.** The Company and each its Subsidiaries holds in good standing all permits, licenses and any similar authority necessary for the conduct of its respective business as presently conducted, including, without limitation, all licenses or permits, if any, required by any Governmental Body or applicable Law in each of the jurisdictions in which the Company or its Subsidiaries operates ("**Permits**"), except where the failure to possess any such Permit could not be expected, individually or in the aggregate, to have a Material Adverse Effect. The Company and each Subsidiary, as applicable, is in compliance, in all material respects, with each such Permit held by it and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination of any such Permit or has resulted, or after notice or lapse of time would result, in any other material impairment of the rights of the holder of any such Permit. The Company is not aware of any pending change or contemplated change to any applicable Law that would materially affect the business, affairs, operations, assets, liabilities (contingent or otherwise) of the Company or any Subsidiary, or the business or legal environment under which the Company or any Subsidiary, now operates or proposes to operate. The Company has provided to the Agents copies of (including all material correspondence relating to) all material permits held by it and any renewals thereof as of the date hereof. Neither the Company nor any of its Subsidiaries has received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any Permit.
- (p) **Environmental and Safety Laws.** The Company and its Subsidiaries are in compliance with all applicable Laws relating to the environment and occupational health and safety, except to the extent any violation of such laws would not have a Material Adverse Effect, and, to the Company's knowledge, no material expenditures are or will be required in order to comply with any such Law. The Company and each Subsidiary has received all required consents under applicable environment and occupational health and safety Laws to conduct their respective businesses.
- (q) **Conduct of Business.** Except for as disclosed in the Public Disclosure Documents, the Company and its Subsidiaries have conducted and are conducting their business in compliance with all applicable Laws of each jurisdiction in which it carries on business and with all applicable Laws, tariffs and directives applicable to its operations, including all applicable federal, state, municipal, and local Laws and regulations and other lawful requirements of any governmental or regulatory body that govern all aspects of the Company's and its Subsidiaries' businesses, including, but not limited to, Permits to grow, process, and dispense cannabis and cannabis-derived products, with the exception of any U.S. Federal Cannabis Laws, each except to the violation of such laws, individually or in the aggregate, would not have a Material Adverse Effect. No action, suit or proceeding by

or before any U.S. court or Governmental Body involving the Company or any of its Subsidiaries with respect to U.S. federal or state criminal laws is pending or, to the Company's knowledge, threatened.

- (r) **Registration Rights.** Neither Company nor any Subsidiary has granted or agreed to grant any registration or prospectus qualification rights to any Person for it or any of its Subsidiaries.
- (s) **Title to Property and Assets.** The Company and its Subsidiaries are the absolute legal and beneficial owner of, and have good and marketable title to all of its or their assets and property, free of all Liens, pledges, security interests, encumbrances, claims or demands whatsoever, other than the Permitted Liens; no other property rights are necessary for the conduct of the business of the Company or any Subsidiary as currently conducted; no Person has any contract right, privilege, claim or the basis for any claim that may adversely affect the right thereof to use, transfer, or otherwise exploit such property rights; and neither Company nor any Subsidiary has any responsibility or obligation to pay any material commission, royalty, license fee or similar payment to any Person with respect to the property rights thereof.
- (t) **Financial Statements.** The Financial Statements, fairly present, in all material respects, the consolidated financial position of Company and its Subsidiaries at the dates specified in the Financial Statements and the consolidated results of the operations and changes in financial position of Company and its Subsidiaries for the period covered by the Financial Statements. Such financial statements have been prepared in conformity with sound accounting principles applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto.
- (u) **Changes.** Since the date of the Financial Statements, except as disclosed in the Public Disclosure Documents, there has not been:
 - (i) any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the business, properties, prospects, or financial condition of the Company or its Subsidiaries;
 - (ii) any waiver or compromise by the Company or its Subsidiaries of a valuable right or of a material debt owed to it;
 - (iii) any material change in any compensation arrangement or agreement with any employee, officer, director or holder of capital stock of the Company or its Subsidiaries;
 - (iv) any sale, assignment or transfer of any patents, trademarks, copyrights, trade secrets or other intangible assets by the Company or its or its Subsidiaries;
 - (v) any removal of any auditor or director or termination of any officer or other senior employee of the Company or its Subsidiaries;
 - (vi) any extraordinary loss, whether or not covered by insurance, suffered by the Company or its Subsidiaries;

- (vii) any material shortage or any cessation or interruption in the shipment of any inventory, supplies or equipment used by the Company or its Subsidiaries;
 - (viii) any resignation or termination of employment of any officer or key employee of the Company or its Subsidiaries that has not been disclosed in the Public Disclosure Documents; and the Company is not aware of any impending resignation or termination of employment of any officer or key employee of the Company or its Subsidiaries;
 - (ix) any mortgage, pledge, transfer of a security interest in, or Lien, created by the Company or its Subsidiaries, with respect to any of its material properties or assets, except liens for taxes not yet due or payable, liens that arise in the ordinary course of business and do not materially impair the Company or its or its Subsidiaries' ownership or use of such property or assets, or as disclosed in the Public Disclosure Documents;
 - (x) any loans or guarantees made by the Company or its Subsidiaries to or for the benefit of an employee, officer or director, or any member of their immediate families;
 - (xi) any declaration, setting aside or payment or other distribution in respect of any of the Company's or any Subsidiary's capital stock, or any direct or indirect redemption, purchase, or other acquisition of any of such stock by the Company or any Subsidiary's;
 - (xii) to the Company's knowledge, any other event or condition of any character, other than events affecting the economy or the Company's industry generally, that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; or
 - (xiii) any arrangement or commitment by the Company to do any of the things described in this Section 6(u).
- (v) **Tax Returns, Payments and Elections.** Except as disclosed in the Public Disclosure Documents, the Company and each of its Subsidiaries have filed all federal, provincial and local tax returns that are required to be filed or have requested extensions thereof; have paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable; has set aside on its books provision which it has been advised is reasonably adequate for the payment of all material taxes for periods still subject to litigation or for periods subsequent to the periods to which such returns, reports or declarations apply; all such returns, declarations, remittances and filings are complete and accurate in all material respects; and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of the Company, and except as disclosed to the Agents or as disclosed in the Public Disclosure Documents, no examination of any tax return of the Company or its Subsidiaries are currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid by the Company, and there are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction.

- (w) **Insurance.** The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are customary for the cannabis sector in the United States in the businesses in which they are engaged; all policies of insurance and fidelity or surety bonds insuring the Company or its Subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect; the Company and its Subsidiaries are in compliance with the terms of such policies and instruments in all material respects; and there are no material claims by the Company or its Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; neither the Company nor any of its Subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.
- (x) **Minute Books.** The minute books and corporate records of the Company and its Subsidiaries have been made available to counsel for the Agents and are all of the minute books and corporate records of the Company and its Subsidiaries. The minute books and corporate records of the Company and its Subsidiaries are up to date and complete in all material respects and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Company and its Subsidiaries, and there have been no other material meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Company and its Subsidiaries to the date hereof not reflected in such minute books and other corporate records.
- (y) **Employee and Labour Matters.** Except as disclosed to the Agents in writing or as set forth in the Public Disclosure Documents, the Company and its Subsidiaries are not bound by or subject to (and none of their assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labour union, and no labour union has requested or, to the Company's knowledge, has sought to represent any of the employees, representatives or agents of the Company or its Subsidiaries. There is no strike or other labour dispute involving the Company or any Subsidiary pending, or to the Company's or any Subsidiary's knowledge, threatened against the Company or any Subsidiary, nor is the Company or any Subsidiary aware of any labour organization activity involving its employees. The Company and its Subsidiaries have paid its employees and independent contractors in accordance, in all material respects, with applicable laws and any applicable contracts and is not delinquent in the payment of any material wages, salaries, commissions, bonuses, fees or other compensation for services provided to the Company or any Subsidiary. The Company and its Subsidiaries have complied in all material respects with applicable equal employment opportunity laws and with other laws related to employment.
- (z) **Suppliers; Contracts.** No supplier (or group of suppliers) that was or is material to the Company or its Subsidiaries, has given the Company or its Subsidiaries notice or, to the Company's knowledge, has taken any other action that has given the Company or its Subsidiaries any significant reason to believe that such supplier (or group of suppliers) will cease to supply, restrict the amount supplied, or adversely change its prices or terms to the Company of any products or services that are material to the Company or its Subsidiaries. Neither the Company nor any of its Subsidiaries has sent or received any

communication regarding termination of, or intent not to renew, any of the material contracts or agreements referred to or described in the most recent Public Disclosure Documents, or any document incorporated by reference therein, and no such termination or non-renewal has been threatened by the Company or any Subsidiary, or, to the Company's knowledge, any other party to any such contract or agreement, which threat of termination or non-renewal has not been rescinded as of the date hereof.

(aa) **Intellectual Property.**

- (i) The Company and its Subsidiaries own, free and clear of any Liens or encumbrances (other than Permitted Liens), or possesses sufficient legal rights to use, all Intellectual Property used by it in connection with the Company's and each Subsidiary's business, which, represents all intellectual property rights necessary to the conduct of the Company's and each Subsidiary's business as now conducted and as presently contemplated to be conducted, without any conflict with, or infringement of, in any material respect, the intellectual property rights of others.
- (ii) The Company and its Subsidiaries have not received any communications alleging that they have violated or, by conducting their business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, rights of privacy, rights in personal data, moral rights, trade secrets or other proprietary rights or processes of any other Person. To the Company's knowledge, no product or service marketed or sold (or presently contemplated to be marketed or sold) by the Company or its Subsidiaries violate any license to which they are a party or infringes any intellectual property rights of any other Person. No claim is pending or, to the Company's knowledge, threatened to the effect that any operations of the Company or its Subsidiaries infringe upon or conflict with the asserted rights of any other person to any Intellectual Property and, to the Company's knowledge, there is no basis for any such claim (whether or not pending or threatened).
- (iii) The Company is not aware that any of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of such employee's best efforts to promote the interest of the Company or that would conflict with the Company's or its Subsidiaries' business. Neither the execution or delivery of this Agreement, nor the carrying on of the Company's or its Subsidiaries' business by the employees of the Company, nor the conduct of the Company's or its Subsidiaries' business as proposed, will, to the Company's knowledge, conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.
- (iv) All persons then involved in the development of the Company's or its Subsidiaries' owned Intellectual Property were at the time employees, consultants or independent contractors of the Company or its Subsidiaries and, for greater certainty, the Company and each Subsidiary owns the Intellectual Property arising from their work. All persons involved in the development of the Company's or its

Subsidiaries' owned Intellectual Property will be employees, consultants or independent contractors of the Company and each Subsidiary, and the Company will own all such Intellectual Property arising from their work. The Company does not believe it is or will be necessary to use any inventions of any of its employees (or persons it currently intends to hire) made prior to their employment by the Company.

- (bb) **Research and Development.** All product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Company and the Subsidiaries in connection with their business is being conducted in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to the Company's and Subsidiaries' business and all such processes, procedures and practices required in connection with such activities are in place as necessary and are being complied with in all material respects.
- (cc) **No Illegal Payments.** Neither the Company nor any of its Subsidiaries, nor any director, or officer thereof, nor, the knowledge of the Company, any employee, agent, affiliate, or other Person acting on behalf of the Company or any Subsidiary, have, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property or other unlawful expense relating to political activity to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or any official of any public international organization; (ii) made any direct or indirect contribution from corporate funds to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act (Canada)*, *U.S. Foreign Corrupt Practices Act of 1977*, *the Proceeds of Crime (Money Laundering)* and the *Terrorist Financing Act (Canada)*, or Title 18 United States Code Section 1956 and 1957 (U.S.), or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Company, its Subsidiaries and their operations; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010, or any other applicable anti-bribery or anti-corruption law; (or) made, offered, authorized, requested, or taken an act in furtherance of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment or benefit. Each of the Company or its Subsidiaries have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such Laws; and the operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with such Laws, and no suit, action or proceeding by or before any governmental authority or any arbitrator involving the Company or its Subsidiaries with respect to such legislation is in progress, pending or, to the knowledge of Company, threatened.
- (dd) **Money Laundering Laws.** The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority, other than to the extent arising out of activities that relate to U.S. Federal Cannabis Laws (collectively, the "**Applicable Money Laundering Laws**") and no action, suit or proceeding by or before

any governmental authority involving the Company or any of its Subsidiaries with respect to Applicable Money Laundering Laws is pending or, to the knowledge of Company, threatened;

- (ee) **Warrant Agent.** Odyssey Trust Company has been or prior to the Closing Time will be duly appointed as the warrant agent with respect to the Offered Warrants.
- (ff) **Registrar and Transfer Agent.** Odyssey Trust Company has been duly appointed as transfer agent and registrar for the SVS.
- (gg) **Employee Plans; ERISA.** Except as disclosed in the Public Disclosure Documents, there are no employee benefit plans or plans for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Company or its Subsidiaries for the benefit of any current or former director, officer, employee or consultant of the Company or its Subsidiaries. The Company and its Subsidiaries and any “employee benefit plan” (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, “**ERISA**”)) established or maintained by the Company, its Subsidiaries or their “**ERISA Affiliates**” (as defined below) are in compliance in all material respects with ERISA. “**ERISA Affiliate**” means, with respect to the Company or any of its subsidiaries, any member of any group of organizations described in Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the “**Code**”) of which the Company or such Subsidiary is a member. No “reportable event” (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any “employee benefit plan” established or maintained by the Company, its Subsidiaries or any of their ERISA Affiliates. No “employee benefit plan” established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates, if such “employee benefit plan” were terminated, would have any “amount of unfunded benefit liabilities” (as defined under ERISA). Neither the Company, its Subsidiaries, nor any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any “employee benefit plan” or (ii) Sections 412, 4971, 4975 or 4980B of the Code. Each employee benefit plan established or maintained by the Company, its Subsidiaries or any of their ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification.
- (hh) **Material Contracts and Obligations.** All agreements, contracts, leases, licenses, instruments, commitments (oral or written), indebtedness, liabilities and other obligations to which the Company or its Subsidiaries are a party or by which it is bound that: (i) are material to the conduct and operations of their business and properties; (ii) involve any of the officers, consultants, directors, employees or shareholders of the Company and/or any Subsidiary, other than ordinary course agreements relating to employment, confidentiality, intellectual property or stock options; or (iii) obligate the Company or its Subsidiaries to share, license or develop any Intellectual Property, have been disclosed by the Company to the Agents and are stored on a virtual data site to which the Agents has access. Neither the Company or any Subsidiary, nor, to the Company’s knowledge, any other Person, is in

material default in the observance or performance of any term, covenant or obligation to be performed by it under any such documents and the Company or its Subsidiaries have not received any notice of termination or default under any such documents and no event has occurred which with notice or lapse of time or both would constitute such a default and all such contracts, agreements and arrangements are in good standing.

- (ii) **Compliance with Laws.** The Company and each of its Subsidiaries has complied, or will have complied, in all material respects with all relevant statutory and regulatory requirements required to be complied with prior to the Closing Time in connection with the Offering. Neither the Company nor any of its Subsidiaries is aware of any legislation or proposed legislation, which they anticipate will have a Material Adverse Effect.
- (jj) **COVID-19.** Except as provided in the Public Disclosure Documents, or as mandated by or in conformity with the recommendations of a governmental authority, there has been no material closure, suspension or disruption to, the operations or workforce productivity of the Company or its Subsidiaries as a result of the COVID-19 Pandemic and, except as provided in the Public Disclosure Documents, any such government mandatory closures have not, individually or in the aggregate, had a Materially Adverse Effect on the Company or its Subsidiaries. The Company has been monitoring the COVID-19 Pandemic and the potential impact on all of its operations and has put in place measures it considers reasonable and in accordance in all material respects with the recommendations of governmental authorities to ensure the wellness of all of its employees and surrounding communities where the Company and the Subsidiaries continue to operate.
- (kk) **Leases.** Except as disclosed in the Public Disclosure Documents, each lease with respect to real property to which the Company or its Subsidiaries are a party (collectively the “**Leases**” and each a “**Lease**”), is in good standing, in all material respects, creates a good and valid leasehold interest in the lands and premises thereby demised and is in full force and effect without amendment. With respect to each Lease: (i) all rents and additional rents have been paid to date; (ii) no waiver, indulgence or postponement of the lessee’s obligations has been granted by the lessor; (iii) to the knowledge of the Company, there exists no event of default or event, occurrence, condition or act (including this Offering) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default under the Lease; and (iv) to the knowledge of the Company, all of the covenants to be performed by any other party under the Lease have been fully performed in all material respects.
- (ll) **Privacy.** The Company, its Subsidiaries, and their employees, have: (i) complied at all times and in all material respects with all applicable privacy Laws and regulations and contractual obligations regarding the collection, processing, disclosure and use of all data consisting of Personally Identifiable Information that is, or is capable of being, associated with specific individuals, including without limitation HIPAA (as defined below), and the Company and its subsidiaries have taken commercially reasonable actions to prepare to comply with, and since May 25, 2018, have been and currently are in compliance with, the European Union General Data Protection Regulation (EU 2016/679) (collectively, the “**Privacy Laws**”); (ii) complied in all material respects with the Company’s privacy policies with respect to Personally Identifiable Information; and (iii) taken all appropriate and industry standard measures to protect from unauthorized disclosure any Personally Identifiable Information that the Company or its Subsidiaries have collected or otherwise

acquired. The Company and its Subsidiaries have at all times made all disclosures to users or customers required by applicable Privacy Laws, and none of such disclosures have, to the knowledge of the Company, been inaccurate or in violation of any applicable Privacy Laws in any material respect. No person has made a claim in writing to the Company, its Subsidiaries or any governmental authority that the Company or its Subsidiaries have violated any applicable privacy laws, consumer protection legislation, regulations or other legal requirements or any contractual obligations regarding the collection, processing, disclosure and use of all data consisting of personally identifiable information.

- (mm) **Business of Trading.** The Company is not in the business of trading in securities under Securities Laws.
- (nn) **Commission.** Other than as contemplated herein or otherwise disclosed to the Agents, the Company has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agent's commission or other similar form of compensation with respect to the transactions contemplated herein.
- (oo) **Non-Disclosure.** Each employee of the Company or its Subsidiaries who has access to the confidential information of the Company has executed an agreement that prohibits such person from divulging any confidential information of the Company and prohibits such person from using any such confidential information for any purpose other than for the benefit of the Company or its Subsidiaries.
- (pp) **Directors and Officers.**
 - (i) Other than as disclosed in the Public Disclosure Documents, none of the directors or officers of the Company or any Subsidiary is or has been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere.
 - (ii) There has not been and there is not currently any material disagreement or other material dispute between the Company or its Subsidiaries, and any of their employees, which is adversely affecting or would reasonably be expected to result in a Material Adverse Effect;
 - (iii) To the Company's knowledge, the Company and its Subsidiaries are in compliance in all material respects with the provisions of applicable worker's compensation, applicable employee health and safety, training or similar legislation in each jurisdiction where it carries on business.
- (qq) **Cease Trading.** No order or ruling suspending the sale or ceasing the trading in any securities of the Company has been issued by any Securities Regulator, Securities Commission or other regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened by any regulatory authority.
- (rr) **Legislation.** The Company is not aware of any legislation, or proposed legislation (published by a legislative body), which it anticipates could result in a Material Adverse Effect.

- (ss) **No Options, etc. to Purchase Assets.** No person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase or other acquisition from the Company or its Subsidiaries of any of the assets or properties of the Company or its Subsidiaries, outside of the ordinary course.
- (tt) **Condition of Tangible Assets.** The buildings, structures, vehicles, equipment, technology and communications hardware and other tangible personal property owned or leased by the Company or its Subsidiaries are structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put. None of such buildings, structures, vehicles, equipment or other property are in need of maintenance or repairs except for routine maintenance and repairs in the ordinary course that are not material in nature or cost.
- (uu) **Full Disclosure.** None of the foregoing representations and warranties and no document furnished by or on behalf of the Company to the Agents in connection with the negotiation of the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement or representation not misleading as to the business, the Company and its properties, businesses and affairs.
- (vv) **Public Disclosure.** The information and statements set forth in any Public Disclosure Documents and the Investor Presentation, were true, correct, and complete in all material respects, and did not contain any misrepresentation, as of the date of such information or such statements were made.
- (ww) **Qualified Investment.** The Offered Securities will be qualified investments under the *Income Tax Act (Canada)* and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, a registered disability savings plan and tax free savings accounts.
- (xx) **Reportable Event.** There has not been any reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the auditors of the Company.
- (yy) **No Liens.** Except for as disclosed in the Public Disclosure Documents and the Permitted Liens, no security interest or lien has been granted on any of the assets or properties of the Company and no security interest or lien has been granted by the Company which would require a security interest or lien to be granted in connection with the issue of the Offered Units.
- (zz) **Cybersecurity.** The Company and its Subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "**IT Systems**") are adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Company and its Subsidiaries as currently conducted, free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Company and its Subsidiaries have implemented and maintained commercially reasonable physical, technical and administrative controls, policies, procedures, and safeguards to maintain and

protect their material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and data, including “Personal Data,” used in connection with their businesses. “**Personal Data**” means (i) a natural person’s name, street address, telephone number, e-mail address, photograph, social security number or tax identification number, driver’s license number, passport number, credit card number, bank information, or customer or account number; (ii) any information which would qualify as “personally identifying information” under the Federal Trade Commission Act, as amended; (iii) “personal data” as defined by General Data Protection Regulation; (iv) any information which would qualify as “protected health information” under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (collectively, “**HIPAA**”); and (v) any other piece of information that allows the identification of such natural person, or his or her family, or permits the collection or analysis of any data related to an identified person’s health or sexual orientation. To the Company’s knowledge, there have been no breaches, violations, outages or unauthorized uses of or accesses to same, except for those that have been remedied without material cost or liability or the duty to notify any other person, nor any material incidents under internal review or investigations relating to the same. The Company and its subsidiaries are presently in material compliance with all applicable Laws and contractual obligations relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification, except for such noncompliance as would not, individually or in the aggregate have a Material Adverse Effect.

- (aaa) **Company’s Accounting System.** The Company and each of its Subsidiaries make and keep accurate books and records and maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with sound accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) the data included or incorporated by reference in the Public Disclosure Documents fairly present the information called for in all material respects and is prepared in accordance with the rules and guidelines applicable thereto.
- (bbb) **Sanctions.** Neither the Company nor any of its Subsidiaries, directors or officers, nor, to the knowledge of the Company, after due inquiry, any employee, agent, affiliate or other person acting on behalf of the Company or any of its subsidiaries is currently the subject or the target of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“**OFAC**”) or the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury of the United Kingdom, or other relevant sanctions authority (collectively, “**Sanctions**”); nor is the Company or any of its Subsidiaries located, organized or resident in a country or territory that is the subject or the target of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, and Syria (each a “**Sanctioned Country**”); and the Company will not directly or indirectly use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, or any joint venture partner or other person or entity, for the purpose of financing the activities of or business with any person, or in any

country or territory, that at the time of such financing, is the subject or the target of Sanctions or in any other manner that will result in a violation by any person (including any person participating in the transaction whether as placement agent, advisor, investor or otherwise) of applicable Sanctions. For the past five years, the Company and its Subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

7. Representations and Warranties of the Agents

The Agents hereby represent and warrant to the Company, and acknowledges that the Company is relying upon such representations and warranties, that:

- (a) each of the Agents and the U.S. Affiliates is registered or qualified, as applicable, to offer and sell the Offered Units in the Qualifying Jurisdictions;
- (b) each of the Agents and the U.S. Affiliates is a valid and subsisting corporation duly incorporated and in good standing under the laws of the jurisdiction in which it is incorporated;
- (c) each of the Agents and the U.S. Affiliates has all requisite power and authority and good and sufficient right and authority to enter into, deliver and carry out its obligations under this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
- (d) in respect of the offer and sale of Offered Units, the Agents and the U.S. Affiliates have complied with the provisions of this Agreement in all material respects and with all applicable Securities Laws in the jurisdictions in which any of them offers the Offered Units;
- (e) each of the Agents and the U.S. Affiliates are an “accredited investor” as such term is defined under NI 45-106;
- (f) the Agents and the U.S. Affiliates, if any, is each duly registered pursuant to the provisions of Securities Laws, and is duly registered or licensed as a broker-dealer or an investment dealer in those jurisdictions in which it is required to be so registered in order to perform the services contemplated by this Agreement and is in good standing with any applicable governmental agency or self-regulatory organization governing such registration or license, including for U.S. Affiliates, registered pursuant to Section 15(b) of the U.S. Exchange Act and in good standing with the Financial Industry Regulatory Authority, or if or where not so registered or licensed, the Agents and U.S. Affiliates have acted only through members of a Selling Firm who are so registered or licensed; and
- (g) the Agents, the U.S. Affiliates and their representatives have not engaged in or authorized, and will not engage in or authorize, any form of general solicitation or general advertising in connection with or in respect of the Offered Units in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio or television or other telecommunications, including electronic display, or otherwise or conducted any seminar or meeting concerning the offer or sale of the Offered Units whose attendees have been invited by any general solicitation or general advertising.

8. Covenants of the Company

- (a) Subject to the terms and conditions of this Agreement, the Company covenants and agrees with the Agents that the Company:
- (i) shall duly authorize and issue the Offered Securities, as applicable.
 - (ii) shall duly and validly authorize and issue the Offered Warrants in accordance with the terms of the Warrant Indenture and ensure at all times prior to the expiry of such Offered Warrants, that sufficient Offered Warrant Shares are authorized and allotted for issuance upon due exercise of the Offered Warrants, and that the Offered Warrant Shares, upon their issuance in accordance with the terms of the Warrant Indenture shall be validly issued as fully paid and non-assessable SVS and MVS, as applicable;
 - (iii) shall duly and validly authorize and issue the Broker Warrants in accordance with the terms of the certificate evidencing the Broker Warrants attached hereto as Schedule "A", and ensure at all times prior to the expiry of such Broker Warrants, that sufficient Offered Units, and underlying Offered Shares and Offered Warrants are authorized and allotted for issuance upon due exercise of the Broker Warrants, and that underlying Offered Shares, upon their issuance, shall be validly issued as fully paid and non-assessable Offered Shares;
 - (iv) shall advise the Agents promptly of: (A) the suspension of the qualification or registration of (or any such exemption relating to) the Offered Securities for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the earliest possible withdrawal thereof; (B) of the occurrence of any event at any time prior to the Closing as a result of which any material information regarding the Company or its assets previously provided to the Agents has changed, or the discovery of any untrue statement or material fact in the Public Disclosure Documents; and (C) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Offered Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company will use its reasonable best efforts to prevent the issuance of any such order preventing or suspending any such qualification of the Offered Securities and, if any such order is issued, will obtain as soon as possible the withdrawal thereof;
 - (v) will use reasonable best efforts promptly to do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Agents may reasonably require from time to time for the purpose of giving effect to this Agreement and the transactions contemplated hereby and take all such steps as may be reasonably within its power to implement to the full extent the provisions of this Agreement and the Offering;
 - (vi) will use the proceeds of the Offering for general corporate and working capital purposes;

- (vii) use commercially reasonable efforts to maintain its status as a reporting issuer not in default of the requirements of Securities Law in each of the Qualifying Jurisdictions, until the date that is 36 months following the Closing Date; provided the foregoing requirement is subject to the obligations of the directors of the Company to comply with their fiduciary obligations to the Company and except in connection with: (A) a bona fide take-over bid made to all shareholders of the Company or similar business combination transaction; or (B) any other transaction which would result in the Company ceasing to be a “reporting issuer” so long as the holders of the SVS and MVS receive securities of an entity which is listed on a stock exchange in Canada or cash, or the holders of the SVS and MVS have approved the transaction in accordance with the requirements of applicable corporate and Securities Laws and the rules and policies of the CSE; and
- (viii) use commercially reasonable efforts to maintain the listing of the SVS on the CSE or such other recognized exchange or quotation system, as the Agents may approve, acting reasonably, until the date that is 36 months following the Closing Date; provided the foregoing requirement is subject to the obligations of the directors of the Company to comply with their fiduciary obligations to the Company and except in connection with: (A) a bona fide take-over bid made to all shareholders of the Company or similar business combination transaction; or (B) any other transaction which would result in the SVS ceasing to be listed on the CSE, so long as the holders of the SVS and MVS receive securities of an entity which is listed on a stock exchange in Canada or cash, or the holders of the SVS and MVS have approved the transaction in accordance with the requirements of applicable corporate and Securities Laws and the rules and policies of the CSE.

9. Closing Deliveries

The purchase and sale of the Offered Units shall be completed electronically at 8:00 a.m. (the “**Closing Time**”) on February 18, 2021 (the “**Closing Date**”). If, at the Closing Time, the terms and conditions herein have been complied with to the satisfaction of the Agents, acting reasonably, or waived by the Agents, the Agents will deliver to the Company the gross proceeds of the Offering, netted against the Cash Commission and the Agents’ reasonable expenses in accordance with Section 12 hereof (to a bank account designated by the Company to the Agents at least 2 Business Days prior to the Closing Time), and the Company shall duly and validly deliver to the Agents the Offered Units subscribed for by Purchasers and the Broker Warrants owing to the Agents. For the purposes of this Section 9, at the request of the Agents, the Company shall deliver to the Agents an irrevocable direction addressed to CDS Clearing and Depository Services Inc. (“**CDS**”) to record the Offered Units and underlying Offered Shares and Offered Warrants sold by the Agents hereunder in the book-entry only system administered by CDS as an uncertificated/NCI security.

10. Closing Conditions

The obligations of the Company to sell and issue any of the Offered Units will be subject to the following conditions, which are for the exclusive benefit of the Company, and any of the following conditions may be waived, in whole or in part, by the Company in its sole discretion pursuant to Section 13. The Company shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Company and signed on behalf of the Agents by senior officers of the Agents acceptable to the Company, certifying for and on behalf of the Agents and without personal liability, that: (A) the Agents and U.S.

Affiliates will have complied in all material respects with all obligations and covenants contained in each of the Transactional Documents and satisfied all material terms and conditions contained therein to be complied with and satisfied by it at or prior to the Closing Time; and (B) the representations and warranties of the Agents and the U.S. Affiliate Agents contained in this Agreement will be true and correct in all material respects as of the Closing Date as if made as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case, such representations and warranties will have been true and correct in all material respects as of that date).

The obligations of the Agents to solicit offers to purchase and distribute any of the Offered Units will be subject to the following conditions, which are for the exclusive benefit of the Agents, and any of the following conditions may be waived, in whole or in part, by the Agents in their sole discretion pursuant to Section 13:

- (a) The Company will have complied in all material respects with all obligations and covenants contained in each of the Transactional Documents and satisfied all material terms and conditions contained therein to be complied with and satisfied by it at or prior to the Closing Time;
- (b) The Agents shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Agents and signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company or other senior officers of the Company acceptable to the Agents, certifying for and on behalf of the Company and without personal liability, that:
 - (i) the Company has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with at or prior to the Closing Time; and
 - (ii) the representations and warranties of the Company and/or its Subsidiaries contained in this Agreement will be true and correct in all material respects as of the Closing Date as if made as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case, such representations and warranties will have been true and correct in all material respects as of that date);
 - (iii) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officer, contemplated or threatened by any regulatory authority;
 - (iv) since the date of the most recent Financial Statements: (A) other than as disclosed in the Public Disclosure Documents, there has been no change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company or its Subsidiaries that could reasonably be expected to have a Material Adverse Effect; and (B) other than as disclosed in the Public Disclosure Documents no transaction has been entered into by the Company or its Subsidiaries which is or would be material to such entity other than in the ordinary course of business;

- (v) the Company has not become aware of a change in any material fact or any misrepresentation in any information regarding the Company which is required to be disclosed in the Public Disclosure Documents;
- (c) the Agents shall have received copies of the Subscription Agreements and the Warrant Indenture executed and delivered by the Company;
- (d) The Agents shall have received a legal opinion, in form and substance satisfactory to the Agents, acting reasonably, that (A) each Material Subsidiary is a corporation incorporated and existing and in good standing under the laws of its jurisdiction of incorporation, and has all requisite corporate capacity, power and authority to carry on its business as now conducted and to own, lease and operate its property and assets; (B) each Material Subsidiary is qualified to conduct business as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary; and (C) all of the capital stock or other equity or ownership interests of each Material Subsidiary has been duly authorized and validly issued, are fully paid and nonassessable, and are owned directly or indirectly wholly owned by the Company, free and clear of any security interest, mortgage, pledge, lien, encumbrance or adverse claim;
- (e) the Agents shall have received a favourable legal opinion of special United States counsel to the Company, addressed to the Agents, in form and substance acceptable to counsel to the Agents, acting reasonably, dated as of the Closing Date to the effect that: (i) the offer and sale of the Offered Units to, or for the account or benefit of U.S. Persons, does not require registration under the U.S. Securities Act; and (ii) provided no compensation is paid to solicit such exchange, no registration of the Shares or Warrants issued under the Subscription Agreement is required under the U.S. Securities Act; provided that such offers and sales are made in compliance with this Agreement and provided further that it being understood that no opinion is expressed as to any subsequent resale of any Securities;
- (f) the Agents shall have received a legal opinion addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agents, acting reasonably, dated as of the Closing Date, from the United States legal counsel for the Company, substantially to the effect that the Licensed Subsidiaries are each in material compliance with all applicable California and Oregon state Cannabis licensing laws and regulations, and in particular, that the each Licensed Subsidiary has, as of the Closing Date, all state Cannabis licenses, permits, authorizations, consents and/or orders of the jurisdiction in which it operates, necessary to conduct commercial Cannabis activity; provided that in giving the opinion contemplated in this Section 10(f), United States counsel to the Company shall not be required to render any opinions with respect to federal laws of the United States relating to the possession, use, sale, cultivation or processing of Cannabis, and shall be entitled, as to matters of fact, to rely upon a certificate of fact of Company signed by officers (and/or the General Counsel) of the Company in positions to have knowledge of such facts and their accuracy, and certificates of such public officials and other persons as are necessary or desirable;
- (g) The Agents shall have received lock-up agreements from each of the executive officers and directors of the Company and each shareholder holding more than 10% of the SVS of the Company, in form and substance satisfactory to the Agents acting reasonably;

- (h) the Agents shall have received at the Closing Time a certificate dated the Closing Date, signed by appropriate officers of the Company addressed to the Agents, with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to the Offering, this Agreement and the transactions contemplated hereby, the incumbency and specimen signatures of signing officers and such other matters as the Agents may reasonably request;
- (i) the Agents shall have received a certificate from the Company's transfer agent as to the number of SVS and MVS issued and outstanding, as at a date not more than two Business Days prior to the Closing Date;
- (j) this Agreement shall have been executed and delivered by the parties thereto in form and substance satisfactory to the Agents, acting reasonably;
- (k) the Agents shall have received favourable legal opinions addressed to the Agents in form and substance satisfactory to the Agent, acting reasonably, dated the Closing Date, from Aird & Berlis LLP, Canadian counsel for the Company, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Company, with respect to the following matters:
 - (i) the Company is a corporation validly existing and in good standing under the *Business Corporations Act* (Ontario);
 - (ii) the Company: (A) is a "reporting issuer" within the meaning of the applicable Securities Laws, within British Columbia, Alberta and Ontario; and (B) is not in default of any material requirement of the applicable Securities Laws;
 - (iii) each of the Transactional Documents constitutes a legal, valid and binding agreement of the Company enforceable against it in accordance with its terms under the laws of Ontario;
 - (iv) the authorized capital of the Company consists of an unlimited number of SVS, an unlimited number of MVS and an unlimited number of special shares issuable in series;
 - (v) the Company has all necessary corporate power, capacity and authority: (A) to execute and deliver the Transactional Documents, any definitive certificate(s) representing the Offered Securities, and to perform the obligations hereunder and thereunder; (B) to issue and sell the Offered Units; (C) to issue the Broker Warrants; and (D) to authorize, approve and reserve for issuance the Offered Warrant Shares;
 - (vi) none of: (A) the execution and delivery by the Company of any definitive certificate(s) representing the Offered Securities, and each of the Transactional Documents to which it is a party; (B) the performance by the Company of its obligations hereunder and thereunder; or (C) the sale and issuance of the Offered Securities, will conflict with any Securities Laws, the Laws of the Province of Ontario, or result in any breach of, as applicable, the articles and bylaws of the Company or any resolutions of the directors or shareholders of the Company;

- (vii) all necessary corporate action has been taken by the Company to authorize the execution and delivery of the definitive certificate(s) representing the Offered Shares, the Broker Warrants and each of the Transactional Documents to which it is a party and the performance by the Company of its obligations hereunder and thereunder, and each has been executed and delivered by or on behalf of the Company and each constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to standard assumptions and qualifications, including that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (viii) the issuance and sale of the Offered Securities under this Agreement, along with the issuance of the underlying Offered Securities upon the exercise of the Broker Warrants, to the Purchasers in the Qualifying Jurisdictions in Canada are each exempt from the prospectus requirements of applicable Securities Laws in Canada and no prospectus will be required, no other document will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, order or authorization of the Securities Commissions in Canada will be required to be obtained under applicable Securities Laws in Canada to permit the offering, issue, sale and delivery of the Offered Securities, subject to the completion of filings required to be made after the completion of the Offering together with the requisite filing fees;
- (ix) upon payment of the purchase price therefor, the Offered Units will be, at the Closing Time, duly and validly created and authorized and issued, and the underlying Offered Shares will be validly issued as fully paid non-assessable SVS and MVS, as applicable;
- (x) upon payment of the purchase price therefor, (A) the Offered Warrants will be, at the Closing Time, duly and validly created and issued; (B) once validly created and issued, the Offered Warrants will constitute legally binding agreements of the Company, enforceable in accordance with the terms of the Warrant Indenture; and (C) upon the exercise of the Offered Warrants in accordance with the provisions of the Warrant Indenture, the Offered Warrant Shares will be validly issued as fully paid non-assessable SVS and MVS, as applicable;
- (xi) the Broker Warrants will be, at the Closing time, duly and validly created and issued and the Offered Units to be issued on exercise of such Broker Warrants, have been authorized and allotted for issuance and upon the payment therefor and the issue thereof upon the exercise of the Broker Warrants, the underlying Offered Shares will be validly issued as fully paid non-assessable SVS;
- (xii) no filing with, or Authorization of, any Governmental Body of Canada or any of the Qualifying Jurisdictions is required for the valid authorization, issuance and sale of the Offered Units by the Company or the consummation by the Company of the transactions contemplated by this Agreement and the Warrant Indenture, as

applicable, except such as have been obtained or made at or before the Closing Time;

- (xiii) no other documents will be required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws in connection with the first trade of the Offered Securities, provided that four months and a day have lapsed since the applicable Closing Date, subject to the usual qualifications imposed by applicable Securities Laws;
 - (xiv) Odyssey Trust Company has been duly appointed as the transfer agent and registrar for the SVS and the MVS;
 - (xv) Odyssey Trust Company has been duly appointed as warrant agent pursuant to the Warrant Indenture; and
 - (xvi) such other matters as the Agent's legal counsel may reasonably request prior to the Closing Time;
- (l) the Company shall have duly notified the CSE of the issuance of the Offered Units and completed all necessary filings for the listing of the Offered Securities on the CSE and the CSE shall not have objected thereto or denied the listing thereof.
- (m) the Agents shall, in their sole discretion, be satisfied with its due diligence review with respect to the business, assets, financial condition, affairs and prospects of the Company; and
- (n) the Agents have not exercised any rights of termination set out in Section 11.

11. Rights of Termination

- (a) The Agents (or either of them) may terminate and cancel its obligations hereunder (and the obligations of the Purchasers arranged by it to purchase the Offered Units), at its sole discretion by written notice delivered to the Company, on or before Closing in the following circumstances, if at any time prior to the Closing:
- (i) **Due Diligence Out.** In the event that the Agents are not satisfied, in their sole discretion, acting reasonably, with the results of the due diligence review and investigation of the Company conducted by the Agents;
 - (ii) **Change in Material Fact.** There shall have occurred a "material change" or change in any "material fact" or a new or undisclosed "material fact" shall arise or be discovered, which, in the sole opinion of the Agents, acting reasonably, has or would be expected to have a material adverse change or effect on the business, affairs, prospects or financial condition of the Company or on the market price, value or marketability of the Offered Units.
 - (iii) **Material Adverse Effect.** In the event that the Agents determine, at their sole discretion, acting reasonably, that there exists any fact or circumstance not generally disclosed to the public which would be expected to have a Material Adverse Effect on the market price or value of the securities of the Company;

- (iv) **Litigation.** Any inquiry, action, suit, proceeding or investigation (whether formal or informal) (including matters of regulatory transgression or unlawful conduct), is commenced, announced or threatened, by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including any securities regulatory authority) against the Company or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including a securities commission), which, in the opinion of the Agents, acting reasonably, prevents or restricts trading in or the distribution of securities of the Company or materially adversely affects or might reasonably be expected to materially adversely affect the market price or value of the securities of the Company;
 - (v) **Change in Law.** Any order is issued by any securities regulatory authority or other competent authority, in relation to the Company or its securities, or there is a change in any law or the interpretation or administration thereof which, in each case, in the reasonable opinion of the Agent, acting reasonably, operates to prevent or restrict the distribution of or trading in the Offered Securities, the SVS or the MVS or materially adversely affects or could reasonably be expected to materially adversely affect the Offering;
 - (vi) **Disaster Out.** If there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence or catastrophe, war or act of terrorism of national or international consequence or a new change in any law or regulation which, in the sole opinion of the Agents, acting reasonably, seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Company and its Subsidiaries, taken as a whole;
 - (vii) **Non-Compliance with this Agreement.** The Company is in breach of, default under or non-compliance with any material covenant, representation, warranty, term or condition of this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement;
 - (viii) **Profitably Marketed.** The state of the financial markets in Canada or the United States is such that, in the sole opinion of the Agents, acting reasonably, it would be unprofitable to offer or continue to offer for sale the Offered Units.
- (b) The rights of termination contained in this Section 11 may be exercised by the Agents and are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination by the Agents, there shall be no further liability on the part of such Agents to the Company or on the part of the Company to the Agents except for any liability of the Company provided for in this Agreement which by its terms survives termination. For greater certainty, no termination pursuant to the terms of this Agreement shall discharge or otherwise affect any obligation of the Company under Section 12 or Section 14.

- (c) The Company shall use its commercially reasonable efforts to cause all conditions in this Agreement which relate to it to be satisfied. It is understood that the Agents may waive, in whole or in part, or extend the time for compliance with any such terms and conditions without prejudice to its rights in respect of any subsequent breach, provided that to be binding on the Agents any such waiver or extension must be in writing and executed by the Agents.

12. Expenses

Whether or not the Offering shall be completed, the Company will pay all reasonable out of pocket expenses and fees in connection with the Offering, including all reasonable expenses of or incidental to the issue, sale or distribution of the Offered Units; the fees and expenses of the Company's counsel; all reasonable costs incurred in connection with the preparation of documents relating to the Offering; all fees, expenses and disbursements of the Company's accountants and auditors, technical consultants, translators and other applicable experts; all costs and expenses related to roadshows and marketing activities, printing, filing, distribution, stock exchange approval and other regulatory compliance; all other out of pocket expenses incurred by the Agents, including travel expenses in connection with due diligence and marketing activities; and fees and disbursements of the Agents' counsel up to an aggregate maximum of USD\$150,000 excluding fees of any U.S. counsel to the Agents, plus applicable taxes and disbursements; and including any such expenses incurred prior to the date first written above and all taxes payable in respect of any of the foregoing. All such fees, disbursements and expenses shall be payable by the Company immediately upon receiving an invoice therefore from the Agents.

13. Survival of Representations and Warranties.

All terms, warranties, representations, covenants and agreements herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive Closing and continue in full force and effect for the benefit of the Agents or the Company, as the case may be, for a period of two years following the Closing Date, and shall not be limited or prejudiced by any investigation made by or on behalf of the Agents in connection with the offer and sale of the Offered Units.

14. Indemnification

- (a) The Company (the "**Indemnitor**") shall fully indemnify and hold the Agents and each of their Subsidiaries, affiliates, and each of their respective partners, shareholders, advisers, directors, officers, employees and agents (collectively, "**Personnel**", and together with the Agents, the "**Indemnified Parties**") harmless to the full extent from and against any and all expenses, losses (other than loss of profits), claims, actions (including shareholder actions, derivative actions or otherwise), damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims), and the reasonable fees and expenses of their counsel (collectively, "**Losses**") that may be incurred in investigating, settling, advising with respect to and/or defending any actual or threatened claim, actions, suits, investigations or proceedings (collectively, a "**Claim**") to which the Indemnified Parties may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such Losses and/or Claims result from, arise out of or are based, directly or indirectly, upon:

- (i) any negligence, fraud or wilful misconduct by the Indemnitor relating to or connected with the Offering;
 - (ii) any inaccuracy of, or any breach of or default under, any representation, warranty, covenant or agreement made by the Indemnitor in this Agreement, or any agreement, certificate or other document to be delivered pursuant hereto, or the failure of the Indemnitor to comply with any of its obligations under this Agreement;
 - (iii) any information or statement (other than information or statements relating solely to the identity of the Agents and provided by the Agents for inclusion therein) contained in the Investor Presentation being, or being alleged to be, a misstatement or a misrepresentation;
 - (iv) any order made or any inquiry, investigation or other proceeding commenced or threatened by any one or more competent authorities based upon any failure by the Indemnitor to comply with applicable Securities Laws or any misrepresentation or alleged misrepresentation prohibiting or restricting the Offering;
 - (v) any breach of, default under or non-compliance by the Indemnitor with: (A) any requirements of applicable Securities Laws in relation to the Offering, unless such breach, default or noncompliance results from the non-compliance by the Indemnified Parties with any requirement of applicable Securities Laws; or (B) any representation, warranty, term or condition of this Agreement or in any certificate or other document delivered by or on behalf of the Indemnitor hereunder or pursuant hereto; and
 - (vi) the performance of professional services rendered to the Indemnitor by the Agents and the Personnel hereunder (the "**Engagement**") or otherwise in connection with the matters referred to in this Agreement.
- (b) The Indemnitor agrees that no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Indemnitor or any person asserting Claims on the Indemnitor's behalf or in right for or in connection with this Agreement, except to the extent that any Losses incurred by the Indemnitor are determined by a court of competent jurisdiction in a final judgement (in a proceeding in which the applicable Indemnified Party is named as a party) that has become non-appealable to have resulted solely from the gross negligence or wilful misconduct of such Indemnified Party.
- (c) The Indemnitor agrees that in case any legal proceeding shall be brought against, or an investigation is commenced in respect of, the Indemnitor and/or an Indemnified Party and an Indemnified Party or its personnel are required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of the Engagement, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agents for time spent by the Agents or their personnel in connection therewith) and out-of-pocket expenses incurred by the Indemnified Party in connection therewith shall be paid by the Indemnitor as they occur.

- (d) The applicable Indemnified Party will notify the Indemnitor promptly in writing after receiving notice of any Claim against it or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, stating the particulars thereof, will provide copies of all relevant documentation to the Indemnitor and, unless the Indemnitor assumes the defense thereof, will keep the Indemnitor advised of the progress thereof and will discuss all significant actions proposed. The omission to so notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor may have to an Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defense of such claim or results in any material increase in the liability under this indemnity which the Indemnitor would otherwise have incurred had the Indemnified Party not so delayed in giving, or failed to give, the notice required hereunder.
- (e) The Indemnitor shall be entitled (but not required), at its own expense, to participate in and, to the extent it may wish to do so, assume the defense of any Claim in respect of which indemnification is sought hereunder, provided such defense is conducted by counsel of good standing acceptable to the Indemnified Party. Upon the Indemnitor notifying the Indemnified Party in writing of its election to assume the defense and retain counsel, the Indemnitor shall not be liable to such Indemnified Party for any legal expenses subsequently incurred by it in connection with such defense. If such defense is not assumed by the Indemnitor, the Indemnified Parties, throughout the course thereof, shall provide copies of all relevant documentation to the Indemnitor, shall keep the Indemnitor advised of the progress thereof and shall discuss with the Indemnitor all significant actions proposed. If such defense is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to the applicable Indemnified Party, will keep such Indemnified Party advised of the progress thereof and will discuss with such Indemnified Party all significant actions proposed.
- (f) Notwithstanding the foregoing, any Indemnified Party shall have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defense of any Claim in which indemnification is sought hereunder if: (i) the employment of such counsel has been authorized by the Indemnitor; or (ii) the Indemnitor has not assumed the defense and employed counsel thereof within 10 days of receiving notice of such Claim; or (iii) counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that there may be legal defenses available to the Indemnified Party which are different from or in addition to those available to the Indemnitor or that there is a conflict of interest between the Indemnitor and the Indemnified Party or the subject matter of the claim may not fall within the indemnity set forth herein (in any of which events the Indemnitor shall not have the right to assume or direct the defense on such Indemnified Party's behalf). No admission of liability and no settlement of any Claim shall be made by the Indemnitor without the prior written consent of the Indemnified Parties affected. In each of cases (i), (ii) or (iii), the Indemnitor shall not have the right to assume or direct the defense on behalf of the Indemnified Party and shall be liable to pay the reasonable fees and disbursements of one counsel for all such Indemnified Parties as well as the reasonable costs and out-of-pocket expenses of the Indemnified Party (including an amount to reimburse the Agents at their normal per diem rates for time spent by its directors, officers or employees).

- (g) The indemnity and contribution obligations of the Indemnitor shall be in addition to and not in derogation of any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agents and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agents and any of the Personnel of the Agents. The foregoing provisions shall survive the completion of professional services rendered under this Agreement and the exercise of the termination rights set forth herein.
- (h) The Indemnitor will not, without the Indemnified Party's prior written consent, such consent not to be unreasonably withheld or delayed, admit any liability, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder unless in connection with any settlement, compromise or consent by the Indemnitors, such settlement, compromise or consent: (i) includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim (if an Indemnified Party is a party to such action); and (ii) does not include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of an Indemnified Party.
- (i) The Indemnitor also hereby agrees to indemnify and hold the Purchasers harmless from and against any and all Losses that may be incurred in advising with respect to and/or defending any Claim that may be made against a Purchaser to which a Purchaser may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such Losses arise out of or are based, directly or indirectly, upon any representation or warranty of the Indemnitor contained in this Agreement or the Subscription Agreement being untrue in any material respect. The Indemnitor hereby acknowledges that the Agents act as trustee for the other Indemnified Parties under this indemnity, and the Agents agree to accept such trust and to hold and enforce such covenants on behalf of such persons.
- (j) Notwithstanding anything to the contrary contained herein, the indemnity set out in Section 14(f) shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Losses to which the Indemnified Party may be subject resulted solely from the gross negligence or wilful misconduct of such Indemnified Party.

15. Contribution

- (a) In order to provide for just and equitable contribution in circumstances in which the indemnity provided in Section 14 hereof would otherwise be available in accordance with its terms but is, for any reason held to be illegal, unavailable to or unenforceable by the Indemnified Parties or enforceable otherwise than in accordance with its terms, the Agents and the Company shall contribute to the aggregate of all Losses of the nature contemplated in Section 14 hereof and suffered or incurred by the Indemnified Parties in the following proportions: (i) the relative benefits received by the Agents (being the amount of the Agency Fee), on the one hand, and the relative benefits received by the Company on the other hand (being the gross proceeds derived from the sale of the Units); (ii) the relative fault of the Company on the one hand and the Agents on the other hand; and (iii) relevant equitable considerations; provided that the Company shall in any event contribute to the amount paid or payable by the Indemnified Parties as a result of

such Claim in excess of such amount over the amount of the Agency Fee actually received by the Agents or any other Indemnified Party under this Agreement and further provided that the Agents shall not in any event be liable to contribute, in the aggregate, any amount in excess of the total amount received through the Agency Fee or any portion thereof actually received by the Agents. However, no party who has been determined by a court of competent jurisdiction, in a final judgment that has become non-appealable, to have breached this Agreement or who has engaged in any fraud, illegal acts, or wilful misconduct shall be entitled to claim contribution from any person who has not been so determined to have breached this Agreement or engaged in such fraud, illegal acts, or wilful misconduct.

- (b) The rights to contribution provided in this Section 15 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law.
- (c) If an Indemnified Party has reason to believe that a claim for contribution may arise, the Indemnified Party shall give the Company notice thereof in writing, but failure to so notify shall not relieve the Company of any obligation which it may have to the Indemnified Party under this Section 15 provided that the Company is not materially and adversely prejudiced by such failure, and the right of the Company to assume the defense of such Indemnified Party shall apply as set out in Section 14 hereof, *mutatis mutandis*.

16. Notice

Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be delivered by facsimile, e-mail or functionally equivalent electronic means of transmission to, as follows:

- (i) If to the Company, to it at:

Harborside Inc.
2100 Embarcadero, Suite 202
Oakland, CA 94606
Attention: Peter Bilodeau
Email: **[Redacted – Email Address]**

with a copy to:

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Attention: Sherri Altshuler
Email: saltshuer@airdberlis.com

- (ii) If to the Agents, to them at:

Beacon Securities Limited
66 Wellington Street West, Suite 4050

Toronto, Ontario, M5K 1H1
Attention: Kim MacIntyre
Email: [Redacted – Email Address]

and

ATB Capital Markets Inc.
66 Wellington Street West, Suite 3530
Toronto, Ontario, M5K 1A1
Attention: Gail O'Connor
Email: [Redacted – Email Address]

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9
Attention: Donald Belovich
Email: dbelovich@stikeman.com

or such other address or email as such party may hereafter designate by notice in writing to the other party. If a notice is delivered, it shall be effective from the date of delivery, provided that if such day is not a Business Day then the notice, request or other communication shall be deemed to have been given and received on the first Business Day following such day. Notice transmitted by email shall be deemed given on the day of transmission.

17. No Fiduciary Duty

The Company hereby acknowledges that the Agents are acting solely as agent in connection with the purchase and sale of the Offered Units. The Company further acknowledges that the Agents are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agents act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Agents may undertake or have undertaken in furtherance of the purchase and sale of the Offered Units, either before or after the date hereof. The Agents hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect.

18. Time of the Essence.

Time shall be of the essence of this Agreement.

19. Currency.

Unless otherwise specified, all references herein to dollar amounts are to lawful money of Canada.

20. Headings.

The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

21. Singular and Plural, etc.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

22. Entire Agreement.

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations, communications, representations, understandings and agreements between the parties with respect to the subject matter hereof whether verbal or written; provided that for greater certainty, the provisions of Section 14 (Rights of First Refusal), Section 16 (Use of Advice), Section 24 (Miscellaneous Terms), Section 25 (Governing Law) and 26 (Execution in Counterparts) of the letter agreement among the Company, Beacon and ATB, dated January 14, 2021 shall survive in full force and effect on their terms. This Agreement may be amended or modified in any respect by written instrument only. Each Schedule attached to this Agreement is deemed to be part hereof and is hereby incorporated by reference.

23. Severability.

The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

24. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto hereby attorn to the jurisdiction of the courts of the Province of Ontario, in the City of Toronto with respect to any dispute related to or arising from this Agreement.

25. Successors and Assigns.

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Agents and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein, this Agreement shall not be assignable by any party without the prior written consent of the others.

26. Further Assurances.

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

27. Language.

The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressément demandé que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.

28. Effective Date.

This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

29. Counterparts and Facsimile.

This Agreement may be executed and delivered in any number of counterparts and by facsimile or other means of electronic transmission, each of which shall constitute an original and all of which taken together shall form one and the same agreement.

[The remainder of this page is left blank intentionally]

If this Agreement accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this Agreement where indicated and returning them to us.

Yours very truly,

BEACON SECURITIES LIMITED

Per:

(signed) "Mario Maruzzo"
Authorized Signatory

ATB CAPITAL MARKETS INC.

Per:

(signed) "Adam Carlson"
Authorized Signatory

Accepted and agreed to be effective as of the date of this Agreement.

HARBORSIDE INC.

Per:

(signed) "Thomas DiGiovanni"
Authorized Signatory

SCHEDULE "A"

FORM OF BROKER WARRANT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE 19, 2021.

THIS WARRANT CERTIFICATE, AND THE WARRANTS EVIDENCED HEREBY, SHALL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE THE EXPIRY TIME (AS HEREINAFTER DEFINED).

Number of Warrants: [●]

Issue Date: February 18, 2021 (the "**Issue Date**")

Certificate No: [●]

Expiry Date: February 18, 2022 (the "**Expiry Date**")

BROKER WARRANT CERTIFICATE

HARBORSIDE INC.

For value received, [**Agent**], [**address**] (the "**Holder**") is the registered holder of that number of broker warrants (the "**Warrants**") of Harborside Inc. (the "**Corporation**") as set forth above.

This Warrant certificate is being issued as partial compensation to the Holder for its services in connection with the issue and sale of units of the Corporation pursuant to an agency agreement dated February 18, 2021 among the Corporation, Beacon Securities Limited and ATB Capital Markets Inc. (the "**Agency Agreement**").

1. **Warrants.** Each Warrant shall entitle the Holder to acquire, at the exercise price of \$2.55 (the "**Exercise Price**") per exercised Warrant, (i) one (1) subordinate voting share in the capital of the Corporation (a "**Share**") and (ii) one additional warrant (the "**Underlying Warrant**") which shall be created and issued pursuant to the terms of a warrant indenture dated as of the date hereof between the Corporation and Odyssey Trust Company, as warrant agent (the "**Warrant Indenture**"). Each Underlying Warrant will be exercisable until February 18, 2024 (the "**Expiry Date**") at the exercise price of \$3.69 (the "**Underlying Warrant Exercise Price**") to acquire one (1) additional Share. The Exercise Price, number of Shares and number of Underlying Warrants which the Holder is entitled to acquire upon exercise of the Warrants are subject to adjustment as hereinafter provided. The number of Shares which the Holder is entitled to acquire upon the exercise of the Underlying Warrants and the Underlying Warrant Exercise Price are subject to adjustment. In addition, in the event the volume weighted average trading price of the Shares of the Corporation on the Canadian Securities Exchange, or other principal exchange on which the Shares are listed, is greater than \$7.38 for 20 consecutive trading days, the Corporation may, within 10 business days of the occurrence of such event, accelerate the expiry date of the Underlying Warrants.

2. **Non-transferable.** The Warrants evidenced hereby (or any portion thereof) may not be assigned or transferred by the Holder.

3. **Warrant Exercise Procedure.** The Warrants represented by this Warrant certificate may be exercised in whole or in part at any time prior to the Expiry Date by surrendering the original of this Warrant certificate at the offices of the Corporation set out in subsection 17(g) hereof together with a subscription form in the form attached as Exhibit "A" hereto duly completed and executed, such additional documents as may be contemplated thereby, and a certified cheque, bank draft or money order in lawful money of Canada payable to or to the order of the Corporation.

4. **Register of Warrantholders.** The Corporation shall cause a register (the "**Register**") to be kept in which shall be entered the names and addresses of all holders of the Warrants and the number of Warrants held by each of them. The Corporation may treat the registered holder of any certificate representing Warrants as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

5. **Partial Exercise.** The Holder may subscribe for and purchase less than the full number of Shares and Underlying Warrants entitled to be subscribed for and purchased hereunder. In the event that the Holder subscribes for and purchases less than the full number of Shares and Underlying Warrants entitled to be subscribed for and purchased under this Warrant certificate prior to the Expiry Date, the Corporation shall issue a new Warrant certificate to the Holder in substantially the same form as this Warrant certificate with appropriate changes to reflect the unexercised balance of the Warrants.

6. **Delivery of Shares and Underlying Warrants.** Within five business days of receipt by the Corporation of this Warrant certificate in accordance with, and the documents and payment noted in, Section 3, the Corporation will deliver (i) the certificate(s) representing the Shares subscribed for and purchased by the Holder hereunder, (ii) the certificate(s) representing the Underlying Warrants subscribed for and (iii) a replacement Warrant certificate, if any.

7. **No Rights of Shareholders.** Nothing contained in this Warrant certificate shall be construed as conferring upon the Holder any right or interest whatsoever as a holder of Shares of the Corporation or any other right or interest except as herein expressly provided.

8. **Adjustment of Subscription and Purchase Rights.**

- (a) The rights evidenced by this Warrant certificate are to purchase Shares and Underlying Warrants. If there shall, prior to the exercise of any of the rights evidenced hereby, be any (a) reorganization of the authorized capital of the Corporation by way of consolidation, merger, sub-division, amalgamation, share exchange, arrangement, reclassification or otherwise; (b) transfer, sale, lease or exchange of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another person; (c) the payment of any stock dividends (other than in the ordinary course of business); (d) a special distribution or rights offering; (e) the change or exchange of the Shares or the Underlying Warrants into or with another security; or (f) any similar event or transaction not specifically contemplated by this Section 8 as determined by the Corporation in its sole discretion (collectively, a "**Reorganization**"), then there shall, subject to the consent of any stock exchange the Shares (as may then be constituted) may then be listed and posted for trading on (the "**Exchange**") (if required), automatically be an adjustment, as applicable, in (i) the number of Shares and Underlying Warrants of the Corporation which may be issued pursuant hereto and/or the exercise price for the Shares and Underlying Warrants, by corresponding amounts if applicable, and/or (ii) the kind and aggregate number of Shares or other securities or property resulting from the Reorganization, so that the rights evidenced hereby shall thereafter be as reasonably as possible equivalent to the rights originally granted hereby and such that the Holder, upon exercise of this Warrant following the effective date of the Reorganization, shall receive the number, kind and type of shares, securities or property the Holder would have been entitled to receive if, on the effective date thereof, the Holder had been the registered holder of the number of Shares and Underlying Warrants which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant certificate. In accordance with this certificate, the Corporation will make adjustments as it considers necessary and equitable acting in good faith, subject to any approvals required by the Exchange (if applicable). If at any time a dispute arises with respect to adjustments provided for herein, such dispute will be conclusively determined by the Canadian auditors of the Corporation or if they are unable or unwilling to act, by such other firm of Canadian independent chartered accountants as may be selected by the directors of the Corporation and any such determination, absent manifest error, will be binding upon the Corporation, the Holder and shareholders of the Corporation. The Corporation will provide such auditors or accountants with access to all necessary records

of the Corporation and fees payable to such accountants or auditors will be paid by the Corporation.

- (b) At least twenty-one days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant certificate, including the Exercise Price and the number of Shares and Underlying Warrants which are purchasable under this Warrant certificate, the Corporation will deliver to the Holder, at the Holder's registered address, a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this subsection 8(b) has been given is not then determinable, the Corporation will promptly after such adjustment is determinable deliver to the Holder, at the Holders registered address, a certificate providing the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and transfer books for the Shares and Underlying Warrants will be open, and that the Corporation will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant certificate, during such twenty-one day period.

9. **Consolidation and Amalgamation.** In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation and forthwith following the occurrence of such event, the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation), shall expressly assume, by supplemental certificate satisfactory in form to the Holder, acting reasonably, and executed and delivered to the Holder, the due and punctual performance and observance of this Warrant certificate to be performed and observed by the Corporation and these securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant certificate.

10. **No Fractional Shares or Underlying Warrants.** Upon the exercise of the Warrants evidenced hereby, the Corporation shall not be required to issue an aggregate number of Shares or Underlying Warrants that results in any fractional Shares or fractional Underlying Warrants being issued and the Holder shall not be entitled to any cash payment or compensation in lieu of a fractional Share or fractional Underlying Warrant.

11. **Legending of Shares and Underlying Warrants.** The Warrants have been, and the Shares and Underlying Warrants will be, issued pursuant to an exemption (an "**Exemption**") from the registration and prospectus requirements of applicable securities law. To the extent that the Corporation relies on such Exemption, the Shares and Underlying Warrants may be subject to restrictions on resale and transferability contained in applicable securities laws. The Holder hereby agrees and consents by acceptance hereof that the certificate or certificates representing the Underlying Warrants shall be impressed with the legends as set forth in the Warrant Indenture, and that the Shares shall be impressed with legends substantially in the following form:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE 19, 2021.

To the extent there is any transfer of the Warrants, Underlying Warrants or Shares to a U.S. person, each shall be impressed with the appropriate U.S. legends, as applicable.

12. **Change; Waiver.** Subject to the approval of the Exchange (if required), the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Corporation and the Holder.

13. **No Obligation to Purchase.** Nothing herein contained or done pursuant hereto shall obligate the Holder to purchase or pay for or the Corporation to issue any Shares or Underlying Warrants except those

Shares or Underlying Warrants in respect of which the Holder shall have exercised its right to purchase in the manner provided hereunder.

14. **Covenants.**

- (a) The Corporation covenants that (i) so long as any Shares evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Shares to satisfy the right of purchase provided for herein should the Holder determine to exercise its rights in respect of all the Shares and Underlying Warrants available for purchase and issuance under outstanding Warrants, and (ii) all Shares and Underlying Warrants which shall be issued upon the due exercise of the right to purchase provided for herein, upon payment therefor of the amount at which such Shares and Underlying Warrants may at the time be purchased pursuant to the provisions hereof, shall, in respect of the Shares, be issued as fully paid and non- assessable subordinate voting shares in the capital of the Corporation, and shall, in respect of the Underlying Warrants, be validly issued, free of all liens, charges and encumbrances; and
- (b) the Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.

15. **Representations and Warranties.** The Corporation hereby represents and warrants with and to the Holder that the Corporation is duly authorized and has the corporate and lawful power and authority to create and issue this Warrant certificate and the Shares and Underlying Warrants issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant certificate represents a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms.

16. **Lost Certificate.** If this Warrant certificate becomes stolen, lost, mutilated or destroyed, the Corporation may, on such terms as it may in its discretion impose, respectively issue and countersign a new Warrant certificate of like denomination, tenor and date as the Warrant certificate so stolen, lost, mutilated or destroyed.

17. **General.**

- (a) The headings in this certificate are for reference only and do not constitute terms of the Warrant certificate.
- (b) Whenever the singular or masculine is used in this Warrant certificate the same shall be deemed to include the plural or the feminine or the body corporate as the context may require.
- (c) This Warrant certificate shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (d) Time shall be of the essence of this Warrant certificate.
- (e) This Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to its principles governing the choice or conflict of laws. The Corporation and the Holder hereby irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any dispute related to or arising from this Warrant certificate.
- (f) All references herein to monetary amounts are references to lawful money of Canada.
- (g) All notices or other communications to be given to the Holder by the Corporation under this Warrant certificate shall be delivered by hand, courier, ordinary prepaid mail, facsimile or electronic mail; and, if delivered by hand, shall be deemed to have been given on the delivery date, if delivered by ordinary prepaid mail shall be deemed to have been given on the fifth day following the delivery date and, if sent by facsimile or electronic mail, on the date of transmission if sent before 5:00 p.m. (local time where the notice is received) on a business

day or, if such day is not a business day, on the first business day following the date of transmission.

Notices to the Holder shall be addressed to the address of the Holder set out in the Register.

Notices to the Corporation shall be addressed to:

Harborside Inc.
2100 Embarcadero, Suite 202
Oakland, CA 94606
Attention: Peter Bilodeau
Email: **[Redacted – Email Address]**

with a copy to:

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Attention: Sherri Altshuler
Email: saltshuler@airdberlis.com

Each of the Corporation and the Holder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant certificate.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF the Corporation has caused this Warrant certificate to be signed by its duly authorized officer on _____.

HARBORSIDE INC.

Per:

Authorized Signatory

EXHIBIT A

WARRANT CERTIFICATE SUBSCRIPTION FORM

Harborside Inc.
2100 Embarcadero, Suite 202
Oakland, CA 94606

Dear

Sirs/Mesdames:

The undersigned hereby exercises the right to purchase and hereby subscribes for _____ subordinate voting shares (the "**Shares**") and _____ warrants, each exercisable to acquire one subordinate voting share (the "**Underlying Warrants**") of Harborside Inc. (the "**Corporation**") and herewith makes payment of the purchase price of \$__ in full for the Shares and Underlying Warrants.

In connection with the exercise of the Warrant certificate, the undersigned represents as follows: (Please check the **ONE** box applicable):

- The undersigned (a) at the time of exercise is not a U.S. person; (b) at the time of exercise is not within the United States; (c) is not exercising any of the Warrants represented by this Warrant certificate for the account or benefit of any U.S. person or person within the United States; and (d) did not execute or deliver this Subscription Form in the United States.
- The undersigned (a) purchased the Warrants directly from the Corporation pursuant to a subscription agreement for the purchase of units of the Corporation; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial purchaser, if any, (c) each of it and any beneficial purchaser was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an "accredited investor" (as defined in Rule 501(a) of Regulation D under the 1933 Act); and (d) the representations, warranties and covenants set forth in the written subscription agreement for the purchase of units from the Corporation continue to be true and correct.
- The undersigned has delivered to the Corporation a written opinion of U.S. counsel reasonably satisfactory to the Corporation to the effect that the Shares and Underlying Warrants to be delivered upon exercise hereof are exempt from registration under the 1933 Act and the securities laws of all applicable states of the United States.

"**1933 Act**" means the United States *Securities Act of 1933*, as amended. "**U.S. person**" and "**United States**" are as defined by Regulation S under the 1933 Act.

Certificates representing Shares and Underlying Warrants will not be registered or delivered to an address in the United States unless Box 2 or Box 3 above is checked and the requirements in connection therewith have been satisfied.

Certificates representing Shares and Underlying Warrants issued upon exercise of Warrants pursuant to Box 2 or Box 3 above will bear a U.S. restrictive legend.

If any Warrants represented by this Warrant certificate are not being exercised, a new Warrant certificate will be issued and delivered with the Share and Underlying Warrant certificates.

Please issue and deliver a certificate for the Shares and Underlying Warrants being purchased as follows:

NAME: _____
(Please print)

ADDRESS: _____

DELIVERY: _____

INSTRUCTIONS:

1. The registered holder of a Warrant may exercise its right to acquire Shares and Underlying Warrants by completing and surrendering this Subscription Form and the ORIGINAL Warrant certificate representing the Warrants being converted to the Corporation, together with the aggregate amount of the exercise price for the Shares and Underlying Warrants as provided for in the Warrant certificate. Certificates representing the Shares and Underlying Warrants to be acquired on exercise will be sent by prepaid first class mail to the address(es) above within five business days after the receipt of all required documentation, subject to the terms of Warrant Indenture.
2. If this Subscription Form indicates that the Shares and Underlying Warrants are to be issued to a person or persons other than the registered holder of the Warrants to be converted: (a) the signature of the registered holder on this Subscription Form must be medallion guaranteed by an authorized officer of a chartered bank, trust corporation or an investment dealer who is a member of a recognized stock exchange; and (b) the registered holder must pay to the Corporation all applicable taxes and other duties.
3. If this Subscription Form is signed by a trustee, executor, administrator, custodian, guardian, attorney, officer of a corporation or any other person acting in a fiduciary or representative capacity, this Subscription Form must be accompanied by evidence of authority to sign satisfactory to the Corporation.

DATED this _____ day of _____.

_____)	_____
Signature of Witness)	Signature of Registered holder or Signatory thereof
[Please Note Instruction 2])	_____
_____)	If Applicable, print Name and Office of Signatory
Print name of Witness)	_____
)	Print Name of registered holder as on certificate
)	_____
)	_____
)	Address

SCHEDULE “B”
COMPLIANCE WITH UNITED STATES SECURITIES LAWS

For the purposes of this Schedule “B”, capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Agreement to which this Schedule is annexed and the following terms shall have the meanings indicated:

“affiliate” means an **“affiliate”** within the meaning of Rule 405 under the U.S. Securities Act;

“Directed Selling Efforts” means “directed selling efforts” as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Securities, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Securities;

“Foreign Issuer” means a “foreign issuer” as that term is defined in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means any issuer which is (a) the government of any country other than the United States or of any political subdivision of a country other than the United States; or (b) a corporation or other organization incorporated or organized under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (2) any of the following; (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;

“General Solicitation or General Advertising” means “general solicitation or general advertising”, as used in Rule 502(c) of Regulation D, including, but not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or the internet or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

“Offshore Transaction” means an “offshore transaction” as that term is defined in Rule 902(h) of Regulation S;

“Regulation S” means Regulation S promulgated under the U.S. Securities Act;

“Securities” means the Broker Warrants, the Offered Units, the Shares, the Warrants and the Offered Warrant Shares;

“Substantial U.S. Market Interest” means “substantial U.S. market interest” as that term is defined in Rule 902(j) of Regulation S;

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

“U.S. Person” means a “U.S. person” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and

“U.S. Purchaser” means an original purchaser of the Offered Units that is an Accredited Investor or a Qualified Institutional Buyer who was, at the time of purchase, (a) a U.S. Person, (b) any person purchasing such Offered Units on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States, (c) any person who receives or received an offer to acquire such Offered Units while in the United States, and (d) any person who was in the United States at the time such person’s buy order was made.

All other capitalized terms used but not otherwise defined in this Schedule “B” shall have the meanings assigned to them in the Agreement to which this Schedule “B” is attached.

A. Representations, Warranties and Covenants of the Company

The Company represents and warrants to and covenants with the Agents and the U.S. Affiliates, as at the date hereof and as of the Closing Date, that:

1. It is, and on the Closing Date will be, a Foreign Issuer with no Substantial U.S. Market Interest with respect to any of its securities.
2. Except with respect to offers and sales in accordance with this Schedule “B” to: (i) U.S. Purchasers in reliance upon the exemption from the registration requirements of the U.S. Securities Act available pursuant to Section 4(a)(2) of the U.S. Securities Act and Regulation D promulgated thereunder; and (ii) persons outside the United States in Offshore Transactions in reliance upon the exclusion from the registration requirements of the U.S. Securities Act available pursuant to Rule 903 of Regulation S, neither the Company nor any of its affiliates, nor any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, any selling group member, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty or covenant is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Offered Units to a person in the United States or any U.S. Person; or (B) any sale of Offered Units unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States and not a U.S. Person or (ii) the Company, its affiliates, and any person acting on any of their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person.
3. None of the Company, its affiliates, or any persons acting on any of their behalf (other than the Agents, the U.S. Affiliates, any selling group member, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty or covenant is made) has made or will make any Directed Selling Efforts or has engaged or will engage in any form of General Solicitation or General Advertising or has acted in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act or Regulation D promulgated thereunder in the United States with respect to the Securities.
4. The Company is not, and as a result of the sales of the Offered Units will not be, an investment company registered or required to be registered under the United States Investment Company Act of 1940, as amended.
5. The Company has not sold, offered for sale or solicited any offer to buy and will not sell, offer for sale or solicit any offer to buy, during the period beginning six months prior to the start of the

Offering of the Offered Units and ending six months after the completion of the Offering of the Offered Units, any of its securities in the United States in a manner that would be integrated with and would cause available exemptions from the registration requirements of the U.S. Securities Act to be unavailable with respect to offers and sales of the Offered Units pursuant to this Schedule "B".

6. The Company will not take any action that would cause the exemptions or exclusions provided by Section 4(a)(2) of the U.S. Securities Act or Regulation D promulgated thereunder or Rule 903 of Regulation S to be unavailable with respect to offers and sales of the Offered Units to purchasers pursuant to the Agency Agreement including this Schedule "B".
7. None of the Company, its affiliates or any person on behalf of any of them (other than the Agents, the U.S. Affiliates, any selling group member, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty or covenant is made) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.
8. The Company will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable state Securities Laws in connection with the Offering.
9. None of the Company, any director, executive officer, other officer of the Company participating in the Offering, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale (each, a "**Company Covered Person**" and, together, "**Company Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) of Regulation D. The Company has exercised reasonable care to determine: (A) the identity of each person that is an Issuer Covered Person, and (B) whether any Company Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) of Regulation D, and has furnished to the Agents a copy of any disclosures provided thereunder.

B. Representations, Warranties and Covenants of the Agent

The Agents represent and warrant to and covenant and agree with the Company (on behalf of themselves and their U.S. Affiliates), as of the date hereof and as of the Closing Date, that:

1. They acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state Securities Laws and may not be offered or sold except pursuant to an exclusion or exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state Securities Laws. They has offered and sold and will offer and sell the Securities only (i) outside the United States in Offshore Transactions in accordance with Rule 903 of Regulation S, or (ii) to, or for the account or benefit of, persons in the United States or U.S. Persons as provided in this Schedule "B". Accordingly, neither the Agents, nor the U.S. Affiliates, nor any persons acting on any of their behalf: (i) have engaged or will engage in any Directed Selling Efforts; or (ii) except as permitted by this Schedule "B", have made or will make (x) any offers to sell Securities to, or for the account or benefit of, persons in the United States or U.S. Persons or (y) any sale of Offered Units unless at the time the purchaser made its buy order

therefor, the Agents, the U.S. Affiliates or other person acting on any of their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person or acting for the account or benefit of a person in the United States or a U.S. Person.

2. They have not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Units, except with the U.S. Affiliates, any selling group member, or with the prior written consent of the Company.
3. They shall require the U.S. Affiliates, any selling group member, and any other person permitted to participate with the consent of the Company to agree, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that the U.S. Affiliates, any selling group member, and any such other person complies with, the provisions of this Schedule "B" as if such provisions applied to such U.S. Affiliates, selling group member or other person.
4. All offers and sales of the Offered Units to U.S. Purchasers will be effected by the U.S. Affiliates in accordance with all applicable U.S. federal and state broker-dealer requirements. Such U.S. Affiliates are, and will be on the date of each offer or sale of Offered Units to, or for the account or benefit of, a person in the United States or a U.S. Person, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc.
5. Any offer, sale or solicitation of an offer to buy Offered Units that has been made or will be made to purchasers, was or will be made only to (i) Accredited Investors and Qualified Institutional Buyers in transactions that are exempt from the registration requirements of the U.S. Securities Act pursuant to Section 4(a)(2) of the U.S. Securities Act and Regulation D promulgated thereunder and all applicable state Securities Laws, and (ii) persons outside the United States in Offshore Transactions that are excluded from registration pursuant to Rule 903 of Regulation S.
6. Offers and sales of Offered Units to U.S. Purchasers have not been and shall not be made by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act and Regulation D promulgated thereunder.
7. At least one business day prior to the Closing Date, they shall provide the Company's transfer agent with a list of all U.S. Purchasers of the Offered Units, together with their addresses (including state of residence), the number of Offered Units purchased and the registration and delivery instructions for the Shares and Warrants.
8. Prior to any sale of Offered Units to U.S. Purchasers, they shall cause each U.S. Purchaser to execute and deliver to the Company, the Agents and the U.S. Affiliates, Exhibit ● to the final U.S. private placement memorandum, in the form approved by the Company.
9. All U.S. Purchasers of the Offered Units shall be informed that the Securities have not been and will not be registered under the U.S. Securities Act and applicable state Securities Laws and are being offered and sold to such U.S. Purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) thereof and Regulation D promulgated thereunder and similar exemptions under applicable U.S. state securities laws.

10. None of the Agents, the U.S. Affiliates, or any person acting on its or their behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.
11. At Closing, the Agents, together with the U.S. Affiliates, will provide a certificate, substantially in the form of Exhibit A to this Schedule "B", relating to the manner of the offer and sale of the Offered Units to U.S. Purchasers, or will be deemed to have represented that they did not offer or sell Offered Units to U.S. Purchasers.
12. None of the Agents, together with the U.S. Affiliates, or any of their directors, executive officers, general partners, managing members or other officers participating in the private placement, or any other person associated with the Agents or the U.S. Affiliates who will receive, directly or indirectly, remuneration for solicitation of purchasers of Offered Units pursuant to Rule 506(b) of Regulation D (each, an "**Agent Covered Person**" and, together, "**Agent Covered Persons**"), is subject to any Disqualification Event (as defined above) except for a Disqualification Event (A) covered by Rule 506(d)(2)(i) to (iii) of Regulation D, and (B) a description of which has been furnished in writing to the Company prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the Closing Date. The Agents and the U.S. Affiliates have exercised reasonable care to determine: (A) the identity of each person that is an Agent Covered Person, and (B) whether any Agent Covered Person is subject to a Disqualification Event.

EXHIBIT A
AGENT'S CERTIFICATE

In connection with the private placement in the United States and to, or for the account or benefit of, persons in the United States and U.S. Persons, of Offered Units of Harborside Inc. (the "**Company**") pursuant to the agency agreement dated as of February 18, 2021 among the Company and the Agents named therein (the "**Agency Agreement**"), the undersigned, does hereby certify as follows:

- (a) the U.S. Affiliate is, and at all relevant times was, a duly registered broker or dealer with the United States Securities and Exchange Commission and is a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and the date on which each offer was made by it to, or for the account or benefit of, a person in the United States or a U.S. Person, and all offers and sales of the Offered Units to, or for the account or benefit of, persons in the United States and U.S. Persons have been effected by the U.S. Affiliate in compliance with all U.S. federal and state broker-dealer requirements;
- (b) immediately prior to making any offers to any U.S. Purchaser, we had reasonable grounds to believe and did believe that any U.S. Purchaser was an Accredited Investor or a Qualified Institutional Buyer, and, on the date hereof, we continue to believe that each such U.S. Purchaser purchasing Offered Units is an Accredited Investor or a Qualified Institutional Buyer;
- (c) no form of General Solicitation or General Advertising was used by us, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or the internet or any seminar or meeting whose attendees had been invited by General Solicitation or General Advertising, in connection with the offer or sale of the Offered Units to U.S. Purchasers;
- (d) neither we nor the U.S. Affiliate have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act; and
- (e) the offering of the Offered Units has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule "B" thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement, including Schedule "B" thereto, unless otherwise defined herein.

DATED this _____ day of February 2021.

[AGENT]

[US AFFILIATE]

By: _____

By: _____

Name:

Name:

Title:

Title: