AGRA VENTURES LTD.

ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021

July 7, 2022

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GENERAL MATTERS

In this Annual Information Form ("**AIF**"), unless the context otherwise requires, the "Company" or "Agra" refers to Agra Ventures Ltd. Unless otherwise indicated, information in the AIF is provided as of December 31, 2021.

This AIF applies to the business activities and operations of the Company for the year ended December 31, 2021, as updated to July 6, 2022. Unless otherwise indicated, the information in this AIF is given as of the date hereof.

Unless otherwise indicated, all references to "$"in this AIF refer to Canadian dollars.

This AIF should be read in conjunction with the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2021. The financial statements and management's discussion and analysis are available under the Company's profile on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Information set forth in this AIF may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. Forward-looking statements in this AIF include, but are not limited to: volatility of stock price and market conditions, expectations relating to commercial agreements or letters of intent, regulatory risks, difficulty in forecasting, key personnel, limited operating history, competition, investment capital and market share, market uncertainty, additional capital requirements, management of growth, pricing policies, litigation, no dividend history. The risk factors described in this AIF are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this AIF and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in AIF include:

- the Company's use of proceeds and business objectives and milestones and the anticipated time of execution;
- the performance of the Company's business and operations;
- the intention to expand the business, operations and potential activities of the Company;
- the methods used by the Company to deliver cannabis;
- the projected increase in production capacity;
- the competitive conditions of the cannabis industry;
- the competitive and business strategies of the Company;
- the Company's anticipated operating cash requirements and future financing needs;
- the anticipated future gross revenues and profit margins of the Company's operations;
- the Company's expectations regarding its revenue, expenses and operations;
- impacts of potential litigation;

- the Company's intention to build brands and develop cannabis products targeted to specific segments of the market;
- the ongoing and proposed expansion of the Company's facilities, products or services, including associated costs and any applicable Health Canada licensing;
- the ability for PSC to maintain the Health Canada license at the Delta Facility;
- the Company's expectations relating to the sale of cannabis, cannabis derived products or hemp derived products produced at the Delta Facility;
- the current political, legal and regulatory landscape surrounding medical and recreational cannabis and expected developments in any jurisdiction in which the Company operates or may operate;
- expectations relating to Farmako's German operations;
- the receipt of any regulatory and stock exchange approvals required at any given time;
- the applicable laws, regulations and any amendments thereof;
- medical benefits, viability, safety, efficacy and dosing of cannabis;
- the expected growth in the number of patients;
- the expected number of grams of medical cannabis used by each patient;
- expectations with respect to the advancement and adoption of new product lines and ingredients;
- the acceptance by customers and the marketplace of new products and solutions;
- the ability to attract new customers and develop and maintain existing customers;
- expectations with respect to future production costs and capacity;
- expectations with respect to the renewal and/or extension of the Company's permits and licenses;
- the ability to protect, maintain and enforce the Company's IP rights;
- the ability to successfully leverage current and future strategic partnerships and alliances;
- the ability to attract and retain personnel;
- anticipated labour and materials costs;
- the Company's competitive condition and expectations regarding competition, including pricing and demand
- expectations and the regulatory environment in which the Company operates; and
- anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates or may operate.

The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. Unless required by applicable securities laws the Issuer disclaims any obligation to update any forward- looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this AIF, see "Risk Factors".

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

GLOSSARY OF TERMS

“**ACMPR**” means the Access to Cannabis for Medical Purposes Regulations issued pursuant to the CDSA;

“**AAA Heidelberg**” means AAA Heidelberg Inc.;

"**AAA Heidelberg Facility**" means Agra's 8,800 sq. ft. licensed craft cannabis cultivation facility London, Ontario;

"**AgraLeaf**" means AgraLeaf SA;

“**Agra**” means Agra Ventures Ltd.;

"**Ateba**" means Ateba Resources Inc.;

"**Bakertilly**" means Baker Tilly WM LLP;

"**BCP**" means Best Cannabis Products Inc.;

"**Blox**" means Blox Labs Inc.;

“**Canabeer**” means 11353675 Canada Corp.;

“**Canada Cannabis Therapeutics Company**” means 11353705 Canada Corp.;

“**cannabis**” has the meaning given to such term in the *Cannabis Act*;

“***Cannabis Act***” means the *Cannabis Act*, S.C. 2018, c. 16, and its regulations;

“**Cannabis Regulations**” means the Cannabis Regulations, SOR/2018 144;

“**cannabis oil**” has the meaning given to such term in the *Cannabis Act*;

"**Cannmart**" means Cannmart Inc.;

"**Cannvas**" means Cannvas Medtech Inc.;

"**Canopy Growth**" means Canopy Growth Corporation;

“**Canutra**” means Canutra Naturals Ltd.;

“**CBD**” means cannabidiol;

"**CCI**" means Cannabis Compliance Inc.;

“**CDSA**” means the *Controlled Drugs and Substances Act* (Canada) repealed on October 17, 2018;

"**CEO**" means chief executive officer;

"**CFO**" means chief financial officer;

“**Colorado Science**” means 11406426 Canada Corp.;

“**Company**” means Agra Ventures Ltd. or Agra;

“**Consolidation**” means the consolidation of all of the issued and outstanding Shares of Agra on the basis of one post-consolidation share for each one hundred and fifty pre-consolidation Share, which occurred on or about August 27, 2021.

"**CPG**" means a consumer packaged good;

“**CSE**” means the Canadian Securities Exchange;

"**Debentures**" means unsecured convertible debentures of Agra;

"**Delta Facility**" means Agra's 20-hectare HA (2.2 million square feet) facility located in Delta, British Columbia;

“**Dispensing Cap Technologies**” means 11122347 Canada Corp.;

“**DMCL**” mean Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants;

"**DOCC**" means Delta Organic Cannabis Corp.;

"**EU**" or "**E.U.**" means the European Union;

"**EU-GDP**" means European Union good distribution practice;

"**EU-GMP**" means European Union good manufacturing practice;

"**Eurasia Infused**" means Eurasia Infused Cosmetics Inc.;

"**EuroLife**" means EuroLife Brands Inc.;

"**Eviana**" means Eviana Health Corporation;

"**Farma Swiss**" means Farma Swiss S.A.S.;

"**Farmako**" means Farmako GmbH;

“**forward-looking statements**” has the meaning ascribed thereto under the heading “Forward Looking Information”;

"**Gatekeeper**" means Gatekeeper Growth Partners;

"**Gateway**" means Gateway Newstands;

"**Glow**" means Glow Life Technologies Ltd.;

"**GMP**" means good manufacturing practices;

"**Houwelings**" means the Houwelings Partnership Group;

"**ICC**" means ICC International Cannabis Corp.;

“**Industrial Hemp Regulations**” means the Industrial Hemp Regulations of the *Cannabis Act;*

"**IP**" means intellectual property;

"**Liberty Leaf**" means Liberty Leaf Holdings Ltd.;

“**Licence**” means a licence issued under Section 62(1) of the *Cannabis Act* in relation to cannabis;

“**Licence Holder**” means a holder of a Licence issued under Section 62(1) of the *Cannabis Act* in relation to cannabis;

"**LOI**" means a letter of intent;

"**Maricom**" means Maricom Inc.;

"**MC45**" means Micro C45 Inc.;

"**MIA**" means manufacturing and import authorization;

“**Minister**” means the Minister of Health;

"**MYM**" means MYM Nutraceuticals Inc.;

"**NI 52-110**" means the *National Instrument 52-110 – Audit Committees*;

“**Natures Hemp**” means Natures Hemp Corp.;

"**OFIG**" means Organic Flower Investments Group Inc.;

"**Options**" means incentive stock options to purchase Shares of Agra;

“**Optionee**” means the recipient of an Option;

"**OTC**" means over-the-counter;

“**Potluck Potions**” means Potluck Potions and Edibles Corp.;

“**PSC**” means Propagation Services Canada Inc.;

"**PUFA**" means PUF Ventures Australia Pty Ltd.;

“**Pure Grow**” means Pure Grow Medicinals S.A.;

"**R&D**" means research and development;

"**Red Phoenix**" means Red Phoenix International Trading Ltd.;

"**Relay**" means Relay Medical Corp.;

"**RMI**" means request for more information;

"**Roughrider**" means Roughrider Capital Corp.;

“**Sanna**” Sanna Health Corp.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

"**SGSC**" means Sustainable Growth Strategic Capital Corp.;

“**Shares**” means the common shares in capital of Agra;

"**SKU**" means a stock keeping unit;

"**Special Warrants**" means special warrants of Agra;

“**Stock Option Plan**” means the plan for which the Company may grant Options to directors, officers, employees, and consultants, provided that the maximum number of Options that are outstanding at any time shall not exceed 10% of the issued and outstanding Shares of the Company.

"**THC**" means tetrahydrocannabinol;

"**The Good Company**" means The Good Company GmbH;

"**Toronto WolfPack**" or "**TWP**" means Toronto Wolfpack RLFC;

“**Trichome**” mean Trichome Cannabrands Inc.;

“**True Focus**” means 1205293 B.C. Ltd.;

"**TSXV**" means the TSX Venture Exchange;

"**UK**" or "**U.K.**" means the United Kingdom;

"**UM**" means the Université de Moncton;

"**Units**" means a unit of Agra;

"**US**" or "**U.S.**" means the United States of America;

"**Vapetronix**" means Vapetronix Holdings Inc.;

"**Vendure**" means Vendure Genetics Labs Inc.;

"**Volt**" means Volt Energy Corp.;

"**VWAP**" means the volume-weighted average price;

"**Warrants**" means Share purchase warrants of Agra;

"**Weed Points**" means Weed Points Loyalty Inc.;

"**WHH**" means Whole Hemp Health;

"**Winnipeg Edibles Facility**" means Agra's 51,500 square foot edibles manufacturing facility in Winnipeg, Manitoba;

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on June 24, 2004 under the laws of the Province of British Columbia under incorporation number BC0698428. On July 20, 2004, the Company changed its name from 0698428 BC Ltd. to High Ridge Resources Inc. On January 1, 2010, the Company changed its name from High Ridge Resources Inc. to New High Ridge Resources Inc. On February 7, 2011, the Company changed its name from New High Ridge Resources Inc. to Newton Gold Corp. On November 7, 2013, the Company changed its name from Newton Gold Corp. to Chlormet Technologies, Inc. On November 13, 2015, the Company changed its name from Chlormet Technologies, Inc. to PUF Ventures Inc. On November 14, 2018, the Company changed its name from PUF Ventures Inc. to AgraFlora Organics International Inc. as well as completed a five for-one stock split of the issued and outstanding shares. On July 28, 2021, the Company changed its name from AgraFlora Organics International Inc. to Agra Ventures Ltd. and completed a stock consolidation on the basis of one post-consolidation Share for each one hundred and fifty pre-consolidation Share.

The Company's head office and registered and records office is located at Suite 810 – 789 West Pender Street, Vancouver, BC V6C 1H2. Agra's corporate website is https://agraventures.com. The information contained on the Company's website is not incorporated by reference into this AIF.

The Company trades on the CSE under the symbol "AGRA". The Company also trades on the OTC Pink Sheets under the symbol "AGFAF" and the Frankfurt Stock Exchange under the symbol "PU31".

Intercorporate Relationships

The following chart illustrates, as at the date of this AIF, the Company's material subsidiaries, the percentage of voting securities of each that are held by Agra either directly or indirectly, and their respective jurisdictions of incorporation, continuance, formation or organization.

Subsidiary Name	Ownership by Agra	Jurisdiction of Incorporation
Propagation Services Canada Inc.	70%	British Columbia
11122347 Canada Corp.	80%	Canada
Potluck Potions and Edibles Corp.	80%	Canada
11353675 Canada Corp.	80%	Canada
11353705 Canada Corp.	80%	Canada
11406426 Canada Corp.	80%	Canada
1180782 B.C. Ltd	100%	British Columbia
Trichome Cannabrands Inc.	100%	Ontario
Canutra Naturals Ltd.	100%	British Columbia
Sanna Health Corp.	100%	Ontario
AgraFlora Europe GmbH	100%	Germany
1293518 BC Ltd.	100%	British Columbia

Subsidiary Name	Ownership by Agra	Jurisdiction of Incorporation
1205293 BC Ltd.	100%	British Columbia
1336234 BC Ltd.	100% by 1293518 BC Ltd.	British Columbia
Farmako GmbH	100%	Germany

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Year Ended December 31, 2019

On January 2, 2019, the Company announced that PSC executed its first propagation supply agreement with Alta-Sun Samson Holdings Corp., a wholly-owned subsidiary of Cabbay Holdings Corp. The agreement calls for PSC to supply high-CBD cannabis plants for a 5-acre outdoor grow operation near Edmonton, Alberta.

On January 7, 2019, the Company announced that it engaged GMP facility experts to design post production exports for the EU in preparation for the first crop of cannabis expected to be planted at its the large-scale Delta Facility at a future date. At the same time, the Company also initiated discussions regarding supply agreements and product development partnerships with several EU based pharma companies.

On January 7, 2019, the Company and Blox announced the entering into of an LOI to negotiate in good faith, a definitive agreement whereby the Company and Blox would form a joint venture company to build a team of professionals from the cannabis, agriculture and pharmaceutical sectors to manage and operate an agricultural greenhouse facility. Blox executed an LOI with BCP to enter into a definitive agreement to acquire an 180,000 sq. ft. greenhouse facility on 50 acres of land in Leamington, Ontario. The LOI also includes management of the Leamington cannabis greenhouse whereby Agra would receive up to 19.99% ownership, subject to the satisfaction of certain milestones, in Blox or the "Newco" upon closing of the BCP arrangement. Agra was to be named the manager of the Leamington cannabis greenhouse and will receive the following compensation assuming Blox completes its acquisition of BCP within the timeframe to be referenced in the definitive agreement: Special Warrants comprised of Series A, Series B and Series C with each series containing 23,788,100 Special Warrants. It was anticipated that each Special Warrant will be convertible, subject a conversion limitation of Agra not owning more than 19.99% of Blox at any time, into one common share in the capital of Blox on the basis certain conditions and milestones being met including the completion of the acquisition of BCP by Blox. It was expected that Agra would provide services and resources related propagation and genetics, greenhouse design and operation and large-scale cultivation to the Leamington cannabis project. In addition, it was expected that Agra would contribute rights relating to its existing cannabis operations and non-exclusive brands currently being sold in Canada. The management contract of the Leamington cannabis greenhouse between Agra and Blox is conditional upon the completion of the acquisition of BCP by Blox.

On January 22, 2019, the Company announced that its wholly owned subsidiary, AAA Heidelberg was preparing to acquire a strain of cannabis to begin cultivation at its AAA Heidelberg Facility.

On February 4, 2019, the Company announced that Natures Hemp was moving forward with the development of a hemp based coffee creamer. The Richardson Centre of Functional Foods and Nutraceuticals at the University of Manitoba is undertaking phase two of product development which includes product and process optimization, increased production scale plus a shelf life study.

On February 20, 2019, the Company announced an amendment to the LOI signed with Blox. The parties agreed to reduce the total number of Special Warrants to be issued to the Company from 71,364,300 to 57,091,440. The Special Warrants are to be priced at a deemed value of $0.05 per Special Warrant (for a total value of $2,854,572).

On March 8, 2019, the Company announced it intension to pursue a public listing on a major international stock exchange. Agra initiated due diligence on the Nasdaq, the New York Stock Exchange and the AIM, a division of the London Stock Exchange. The management team will examine all listing options and will select the stock exchange that will provide the Company with the most long-term benefits.

On March 11, 2019, the Company announced that it had retained Maricom to provide investor relations services to the Company in compliance with regulatory guidelines. Under the terms of engagement, Maricom was retained for a 6-month period starting March 1, 2019 at $3,500 per month.

On March 20, 2019, the Company announced it was acquiring an additional 10% of the shares of PSC for $14 million payable by Shares at a price of $0.68 per Share, equivalent to 20,588,235 Shares (on a pre-Consolidation basis). The transaction was agreed to in principle and approved by both boards of directors of Agra and PSC. Following the transaction, it is expected that the ownership of PSC will consist of Agra as to 60%, Houwelings as to 30% and the investors of DOCC as to 10%.

On March 20, 2019, the Company announced that it initiated due diligence with respect to a potential partnership with Dixie Brands Inc., relating to the manufacture, sale and distribution of cannabis infused products within legalized markets in the EU.

On March 25, 2019 the Company announced that it closed a $20 million third and fourth tranche of the $40 million equity participation and earn-in agreement with DOCC and issued the third tranche of 44,582,040 Shares (on a pre-Consolidation basis) at a deemed price of approximately $0.45 per Share. With the funding of $40 million, DOCC has earned a 20% economic interest in PSC, Agra retains a 50% economic interest and Houwelings and partners own the remaining 30%.

On April 3, 2019, the Company and Liberty Leaf announced that the companies made advancement with respect to gaining entry into the medical cannabis market in the EU and, as such, formed a jointly owned Greek company, AgraLeaf, so as to formally capitalize on the opportunity. It was expected that Agra and Liberty Leaf will own an equal equity stake in AgraLeaf with specific details regarding the obligations of the Companies to be outlined in a shareholder's agreement. AgraLeaf has established a team in Greece consisting of personnel with expertise in commercial horticulture, government affairs, legal and finance.

On April 4, 2019, the Company and Relay announced the execution of a binding LOI to bring Glow public by way of reverse takeover. In December 2018, the partners jointly announced the formation of Glow to identify and develop technologies within the global cannabis sector. The LOI is to be followed by a formal definitive agreement with Ateba whereby Ateba will acquire all the securities of Glow by way of a share exchange, amalgamation or other transaction, subject to the terms and conditions of the LOI.

On April 8, 2019, the Company and Relay announced the execution of an asset sale agreement to transfer a suite of technology assets including the cannabis Smart Consumption System from Relay to Glow. Under the terms of the agreement, Relay has sold a suite of technology assets relating to the development and licensing of cannabis related medical technologies. In consideration, Glow has issued 6,350,000 shares to Relay resulting in Relay holding approximately 63.5% of Glow prior to the anticipated completion of a private placement and go-public transaction.

On April 9, 2019, the Company and ICC announced the entering into an agreement whereby the Company will transfer its portfolio of exotic, native Colombian cannabis genetics to ICC for international marketing and distribution purposes. The Company's genetics portfolio consists of rare, native cannabis strains from the regions of Valle del Cauca, Cauca, Magdalena and Antioquia in Colombia. Under the agreement, Pure Grow is transferring to International Cannabis a library consisting of 20 unique strains that include both THC and CBD varietals, including highly strains such as: Caucana, Purpura, Medellin Gold, Maroc. Under the terms of the agreement, Agra will retain the rights to the genetics library for its own uses within North America, and ICC is granted exclusive rights elsewhere globally. In consideration for the transfer of the genetics library, ICC will issue one million common shares to Agra. The valuation of the shares will be based upon the five-day VWAP of ICC's common shares for the five trading sessions prior to the announcement of the agreement.

On April 23, 2019, the Company announced the appointment of Mr. Brandon Boddy to the board of directors of the Company and the appointment of Ms. Jan Urata as Corporate Secretary of the Company.

On April 29, 2019, the Company announced that it completed various Share issuances to certain parties as detailed out below.

- *PSC*: A total of 20,588,235 Shares (on a pre-Consolidation basis) were issued pursuant to a share purchase agreement with PSC and the shareholders of PSC dated effective March 19, 2019. Pursuant to the agreement, the Company acquired 10% of the outstanding Class B non-voting participating common shares of PSC from the PSC shareholders for $14,000,000, payable by the issuance of 20,588,235 Shares (on a pre-Consolidation basis) at a price of $0.68 per Share.

- *Consulting Services:* The Company issued an aggregate of 10,000,000 Shares (on a pre-Consolidation basis) at a deemed price of $0.51 per Share to key personnel, including related parties, who are assisting with PSC and the Delta Facility.

- *LOI:* Pursuant to an LOI dated May 22, 2018, the Company issued the first allotment of 1,250,000 Shares (on a pre-Consolidation basis) to Cornelius Houwelings at a deemed price of $0.51 per Share. The Company also agreed to issue an additional 5,000,000 Shares (on a pre-Consolidation basis) to Cornelius Houwelings upon the achievement of the Delta Facility becoming 100% operational in cannabis.

- *Supply Agreement:* The Company also issued 281,690 Shares (on a pre-Consolidation basis) at a deemed price of $0.71 per Share to Vendure pursuant to a supply agreement dated December 26, 2018, whereby the Company agreed to purchase certain plants, plant matter and related plant based products from Vendure for total consideration of $200,000, payable in Shares.

On May 3, 2019, the Company announced that it had sold its rights to AgraLeaf SA in Greece in exchange for common shares of Roughrider valued at 150% of the Company's original investment in the Greek venture.

The Company anticipates it will own approximately 8% of the common shares of Roughrider after the closing of the transaction.

On May 21, 2019, the Company announced the appointment of Mr. Brandon Boddy as Chairman and CEO of Agra. The Company also announced and the resignation of Mr. Derek Ivany as President, CEO and a director of the Company.

On May 22, 2019, the Company announced that it entered into a five year commercial rights and off-take agreement with ICC. Under the terms of the agreement, the Company will sell up to 100,000 kg of premium dried cannabis flower produced from its Delta Facility to International Cannabis over the next five years, subject to approval of the Company's cultivation and sales licenses by Health Canada. Subject to the terms of the agreement, Agra may sell up to 20,000 kg of dried cannabis per annum for a 5-year term from its Delta Facility, representing 100,000,000 grams over the duration of the initial term.

On May 23, 2019, the Company and OFIG announced the entering into of a binding LOI whereby the Company will acquire 100% of OFIG's assets including OFIG's 20% interest in the Delta Facility, an array of domestic downstream/product formulation operations and the rights to a trans-European distribution network.

On May 27, 2019, the Company announced that it entered into an amended assignment agreement with Roughrider whereby the parties agreed to amend the original assignment agreement dated April 30, 2019 to reduce the purchase price of the optioned shares from €600,000 to €500,000 resulting in a reduced number of common shares of Roughrider to be issued to the Company, from 3,600,000 Roughrider shares to 3,010,000 Roughrider shares at a deemed price of $0.25 per Roughrider share. Additionally, the Company announced the appointment of Mr. Brian O'Neill as a member of the Company's board of directors.

On May 28, 2019, the Company announced that it had entered into a binding LOI with ICC for the strategic sale of its Colombian pharmacy operation, Farma Swiss. Farma Swiss is part of Pure Grow, Agra's wholly owned Colombian subsidiary formed to pursue international opportunities in the cannabis industry. As per the terms of the LOI, ICC will issue the Company such number of common shares in the capital of ICC that equals to $250,000, based upon the five-day VWAP of ICC's common shares for the five trading sessions prior to the announcement of an agreement.

On May 30, 2019, the Company announced that it had applied for licensing with Health Canada under the Industrial Hemp Regulations.

On June 7, 2019, the Company announced that it had completed a transaction relating to the acquisition of downstream and a product formulation portfolio from OFIG. Pursuant to the terms of an execute d asset purchase and sale agreement, this transaction reunites 70 percent of the Company's joint venture entity, PSC's Delta Facility under a consolidated corporate umbrella. Under the terms of the executed agreement, Agra will issue 1.15 Shares (on a pre-Consolidation basis) for each one (1) issued and outstanding share of OFIG.As per the terms of the executed OFIG agreement, the Company acquired the following assets from OFIG:

- 20% interest in the Delta Facility;
- Exclusive trans-European distribution and GMP cannabis processing/finishing agreements comprised of 80,000 retail endpoints/pharmacies, spanning 16 countries;
- An array of domestic downstream/product formulation operations comprised of:
    - An 80% interest in Dispensing Cap Technologies;

- An 80% interest in Canabeer;
- An 80% interest in Canada Cannabis Therapeutics Company;
- An 80% interest in Colorado Science;
- An 80% interest in Potluck Potions;
- A 100% interest in Trichome;
- A sub-licensing agreement with True Focus; and
- A 100% interest in Canutra.

On July 3, 2019, the Company announced that it was awarded an Industrial Hemp License from Health Canada, under the industrial hemp regulations of the *Cannabis Act* at its Delta Facility.

On August 8, 2019, the Company announced that it commenced discussions, as well as entered into a non-binding CBD commercialization and consulting LOI with one of Canada's largest food retailers. Under the terms of the non-binding LOI, Agra and the retailer will pursue a supply and consulting agreement, whereby Agra will supply the retailer with a portfolio of CBD-infused CPGs. The non-binding LOI contemplates the branded and private label creation and supply of Agra's diverse portfolio of CBD-infused and/or hemp-oil derived CPG products across the retailer's diverse brand umbrellas, including but not limited: to edibles, cosmetics, beverages, CBD performance products; and pet products.

On August 8, 2019, the Company announced that effective August 8, 2019 Agra will trade under the OTC symbol AGFAF.

On August 9, 2019, the Company announced its intention to make an offer directly to the shareholders of Eviana to purchase all of the issued and outstanding common shares for consideration consisting of Shares. The offer will provide holders of Eviana shares with 1.694915 Shares (on a pre-Consolidation basis) for each Eviana share based on the offer price of $0.50 per Eviana share and the closing price of the Shares of $0.295 on August 9, 2019.

On August 20, 2019, the Company announced that it entered into a definitive agreement to acquire 50% of the issued and outstanding shares of Eurasia Infused. Agra and Eurasia Infused will collaborate to integrate the Company's vertically integrated, farm-to-face CBD processing, manufacturing and distribution model into the Asia Pacific region. Under the terms of the securities purchase agreement, Agra will acquire 50 per-cent of the issued and outstanding shares in the capital of Eurasia Infused, in exchange for an aggregate of 15 million Shares (on a pre-Consolidation basis), based upon the five-day VWAP of Agra Shares for the five trading sessions prior to the 3 announcement of the definitive agreement.

On September 11, 2019, the Company announced that its Winnipeg Edibles Facility received all required architecture and ancillary construction permits and continues to adhere to its projected Q4 2019 completion date for applicable facility upgrades, including architectural, mechanical, electrical, as well as security retrofits, per Health Canada regulations.

On September 18, 2019, the Company announced that it's wholly owned subsidiary, Canutra, was been awarded a cannabis research licence by Health Canada under the Cannabis Regulations. The research license permits Canutra to pursue the development of proprietary cannabis genetics and phenotypes at its flagship 76-acre campus in Kent County, New Brunswick.

On September 27, 2019, the Company announced that further to a commercial rights and supply agreement dated May 22, 2019, the Company entered into a complementary cooperation agreement. Under the terms of the co-op agreement, a party to the original agreement subscribed to a non-brokered private placement at a 28.2 per-cent premium to Agra's five-day VWAP of $0.234; for total proceeds of $2,000,000. In consideration for the Offering, Agra agreed to defer payment for the initial $2,000,000 purchase of dried cannabis flower, under the previously announced agreement. Such deferred payments will be repaid in equal portions of $250,000 across the subsequent $8,000,000 in anticipated dried cannabis flower purchases. In connection with the Offering, the Company issued 6,666,667 transferable Special Warrants to one purchaser at a price of $0.30 per Special Warrant. Each Special Warrant is convertible into Units with each Unit consisting of one Share and one transferable Warrant, with each Warrant entitling the holder thereof to purchase one additional Share at a price of $0.50 per Share for a period of 36 months from the date of issuance of the Warrants.

On October 3, 2019, the Company announced that its wholly-owned subsidiary, Canutra in conjunction with the UM continues to achieve material advancements pertaining to the genetic-engineering and phenotyping of a portfolio of high-CBD cannabis varietals at its flagship 76-acre campus in Kent County, New Brunswick.

On October 9, 2019, the Company announced that it entered into a hemp-derived CPG distribution agreement with Gateway, North America's premier newsstand retailer. On September 26, 2019 Gateway issued Agra an initial purchase order to supply a suite of hemp derived CPGs. Agra and Gateway will also deploy best commercial efforts to pursue conversations relating to a CBD supply and consulting agreement, whereby Agra and Gateway may collaborate to produce a portfolio of CBD-infused CPGs, within eligible jurisdictions.

On October 11, 2019, the Company announced that it elected not to proceed with its proposed takeover bid of Eviana due to increased regulatory and operational uncertainty and the continued divestments of core assets by Eviana

On October 24, 2019, the Company announced that it initiated development of Cannessence, a terpene-infused, organic cannabis sativa seed oil CPG. Agra will position Cannessence within the marketplace as a legal, OTC substitute to conventional CBD. The initial synthesis of Cannessence will be championed by Agra's CBD R&D consultancy arm in conjunction with the UM and will be comprised of the following initial deliverables:

- Cannabinoid extraction and essential oil recovery;
- Purification stage for the separation of fats and lipids, or other modifications deemed necessary; and,
- A mixing/emulsification stage with the objective of formulating a unique matrix.

On October 25, 2019, the Company announced that it acquired 100% of the issued and outstanding shares of The Good Company. The Good Company is the parent company of German EU-GDP medical cannabis distributor, Farmako. Under the terms of the definitive agreement, Agra will acquire 100% of all the issued and outstanding shares in the capital of Farmako in exchange for an aggregate of $11.5 million in Shares (on a pre-Consolidation basis), based upon a fixed pricing benchmark. The payment shares issuable on the acquisition are subject to escrow provisions of over 18 months and one day.

On October 30, 2019, the Company announced that it received its inaugural purchase order from its 50 per-cent owned joint venture, Eurasia Infused. On October 25, 2019, Eurasia Infused issued Agra an initial purchase order to supply its organic cannabis sativa seed oil infused face serum and lip balm. Eurasia Infused will work to integrate Cannessence, Agra's recently announced terpene-infused, organic cannabis sativa seed oil formulation, into its distribution channels. Eurasia Infused anticipates that it will market its Cannessence product portfolio in capsule, topical and tincture format and aims to position Cannessence within the marketplace as an OTC substitute to conventional CBD.

On November 1, 2019, the Company announced that it entered into an LOI with EuroLife. Under the terms of the LOI, the companies will collaborate to curate custom evidence-based cannabis content and associated learning modules to be deployed across EuroLife's physician-sanctioned German cannabis education platform, Cannvas.de. The integration of Cannvas.de. Under the terms of the LOI, it is contemplated that upon execution of a definitive agreement, Agra will issue EuroLife a predetermined amount of share based consideration in the capital of the Company.

On November 8, 2019, the Company announced the introduction of four unique CBD-infused SKUs for production at its Winnipeg Edibles Facility. Agra intends to produce the following pectin and/or gelatin based CBD or THC infused gummy SKUs, branded with Mesoamerican attributes:

- Rojo: a strawberry flavoured pectin based, CBD-infused gummy SKU
- Naranja: a tangerine flavoured gelatin based, CBD-infused gummy SKU
- Azul: a blue raspberry flavoured gelatin based, CBD-infused gummy SKU
- Verde: a green apple flavoured pectin based CBD-infused gummy SKU

On November 14, 2019, the Company announced that it received a purchase order from Gateway for its WHH organic lip balm SKU.

On November 20, 2019, the Company announced that it entered into a preferred supply agreement with Canadian CPGs broker and wholesaler, Red Phoenix. Under the terms of the supply agreement, Red Phoenix will distribute Agra's portfolio of organic cannabis sativa seed oil infused CPGs, including its WHH organic lip balm, as well as its Edibles and Infusions hemp-derived gummy SKUs to domestic big box food retailers.

November 21, 2019, the Company announced that it completed construction of its pharmaceutical-grade R&D laboratory at its Winnipeg Edibles Facility. Agra also announced that the Company is in the process of finalizing product formulation, contract manufacturing and R&D agreements with various Canadian licensed producers. Agra's R&D laboratory will be fully operational upon receipt of Health Canada issued R&D license.

On November 25, 2019, the Company announced that it closed a non-brokered private placement offering consisting of 28,750 Debentures with an aggregate face value of $1,000 for gross aggregate proceeds of $28,750,000. The Debentures were issued at a deemed value of $0.30 per Share, which is a 66.67% premium to the Company's closing price on November 25, 2019. The Debentures shall bear interest at a rate of 10% per annum from the date of issue, payable semi-annually in arrears on June 30 and December 31 of each year, commencing December 31, 2019. Interest shall be computed on the basis of a 360-day year composed of 12 30-day months. The Debentures shall mature on December 31, 2021. The Debentures will be convertible at the holder's option into: (i) that number of Shares calculated on the basis of the aggregate principal amount of the Debentures being converted divided by the conversion price of $0.30 per Share; and (ii) a cash payment equal to the additional interest amount that such holder would have received if it had held the Debenture from the date of conversion to the maturity date. Holders converting their Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, but excluding, the date of conversion.

On December 5, 2019, the Company announced that it entered into an interim agreement to acquire 100% of the issued and outstanding shares of Sanna. Under the terms of the agreement, Agra will pursue the acquisition of 100% of all the issued and outstanding shares in the capital of Sanna in exchange for an aggregate of $23 million in Shares (on a pre-Consolidation basis), based upon a fixed pricing benchmark of $0.30 per share. The payment shares issuable on the acquisition are subject to escrow provisions over 18 months and one day. The Company also announced that it proceeded with the final issuance of 1.25 million bonus Shares (on a pre-Consolidation basis) at a price of $0.175 per Share to Cornelius Houwelings pursuant to an LOI dated May 22, 2018.

On December 5, 2019, the Company announced that its subsidiary, Potluck Potions, was awarded a cannabis research licence from Health Canada under the Cannabis Regulations.

On December 12, 2019, the Company announced that its UK subsidiary, Farmako Limited completed its UK home office inspection for the purpose of obtaining a controlled drug license. Upon receipt of a controlled drug licence from the UK Home Office, Farmako Limited will be fully licensed to pursue pharmaceutical/medical cannabis trading within the UK operating theatre. Initially, Farmako Limited will pursue the import of Bedrocan products from the Netherlands to the UK for end patient distribution.

On December 17, 2019, the Company announced that its 50 per-cent owned joint venture subsidiary, Eurasia Infused is preparing to import a suite of the Toronto Wolfpack / HowlBrands CBD performance products into 2019 Rugby World Cup host nation, Japan, as well as the Hong Kong special administrative region. Eurasia and the Toronto Wolfpack / HowlBrands will collaborate to import the following hemp-derived, CO2 extracted and GMP certified CBD-infused performance SKUs:

- CBD isolate performance tincture;
- CBD-infused sports rejuvenation gummies; and,
- CBD sport capsules.

On December 19, 2019, the Company announced that it is architecting the following onsite farm-gate cannabis retail facilities:

- 1,200 square foot farm-gate retail facility adjoining its 37,000 square foot licensed cultivation and processing facility in Scarborough, Ontario; and,
- 690 square foot farm-gate retail facility adjoining its 8,000 square foot London, Ontario AAA Heidelberg licensed craft cannabis cultivation facility.

Agra's Sanna Sustainable Growth Strategic facility (Scarborough, Ontario) is situated on 16 acres and includes 27,000 square feet of Health Canada licensed cultivation and processing space. It includes an option to expand its current production area to 89,000 square feet and ample commercial-industrial space for future expansion. The Company's planned on-site AAA Heidelberg dispensary will allow Agra to capitalize on a 1.5 million-purchaser catchment area within a 90-minute radius.

Year Ended December 31, 2020

On January 3, 2020, the Company announced that it closed its acquisition of 100% of the issued and outstanding shares of The Good Company. The Good Company is the parent company of German EU-GDP, Farmako. Additionally, Farmako reported that it is in advanced contract discussions with an external UK-domiciled pharmaceutical logistics firm, which will function as the company's secured UK warehousing and shipping hub.

On January 9, 2020, the Company announced that its CBD performance product line, HowlBrands, will be featured on the forefront of the Toronto Wolfpack jersey's throughout the 2020 RLF Super League season. The Company also announced it issued 800,000 Shares (on a pre-Consolidation basis) at a deemed price of $0.25 per Share to Vendure pursuant to an amended supply agreement dated December 16, 2019.

On January 23, 2020, the Company announced that Farmako, through its wholly owned subsidiary Farmako Limited received its home office controlled drug license. Farmako Limited is now fully licensed to pursue pharmaceutical/medical cannabis trading in the UK having previously obtained its certification for compliance with Good Distribution Practice and having previously been granted the authorization for wholesale distribution of medicinal products including medical cannabis from the UK's Medicines and Healthcare Products Regulatory Agency.

On January 29, 2020, the Company announced that construction at the Company's Winnipeg Edibles Facility was expected to be completed within 60 days, with approximately 75% of the work having been completed. The Company anticipates the Winnipeg Edibles Facility will submit its Health Canada affirmation of readiness and video evidence package shortly after completion of construction. The Company is working with industry-leading experts to manage the timing and quality of the evidence package submission and expects the standard processing license to be granted at the Winnipeg's Edibles Facility by summer 2020.

On February 14, 2020, the Company announced that it was taking steps to accelerate the market growth of WHH, a proprietary line of hemp-derived cosmetic products developed/owned/manufactured by Canutra, a wholly owned subsidiary of Agra. The Company, via Canutra, engaged Gatekeeper, a performance-marketing firm, to assist Canutra in driving the growth of its WHH products on online marketplaces such as Amazon. Pursuant to a definitive agreement entered into between Canutra and Gatekeeper, Gatekeeper will deploy digital marketing tools to acquire new customers for WHH with the primary goal of accelerating growth through online and direct-to-consumer channels. This includes supporting the current WHH sales force with a proprietary suite of marketing technologies, including data-driven advertising campaigns that have a track record of driving conversions and sales for wellness products.

On February 18, 2020, the Company announced that its wholly owned subsidiary, Farmako secured a special authorization from the German Federal Institute for Drugs and Medical Devices for the distribution of medical cannabis flowers that have undergone an ionizing radiation treatment. With the additional license in hand, Farmako intends on rapidly expanding its international vendor network to increase its revenues and earnings before interest and taxes in the German market in 2020.

On February 27, 2020, the Company welcomed John Fowler, founder of one of Canada's top consumer brands 7ACRES and former President and CEO of the Supreme Cannabis Company, Inc. from 2014 to 2019. John Fowler is the principal of Blaise Ventures Inc., a full-service consulting firm that has been engaged by the Company to support the execution of its strategic priorities to license, operationalize and solidify a path to profitability for the Company's key assets including: PSC, Edibles and Infusions, AAA Heidelberg and Farmako. John and his team will further assist Agra's management team in identifying, evaluating and executing on accretive corporate opportunities including potential acquisitions, dispositions or new revenue channels in domestic or international markets.

On February 28, 2020, the Company announced that one of its subsidiaries, PSC, entered into an agreement to acquire a curated portfolio of live-plant cannabis genetics. The live-plant genetics will be acquired from a Canadian cannabis cultivator with experience in genetic development and commercialization for at-scale cannabis production. The curated portfolio of live-plant genetics has been assembled, selected and refined by the vendor over the past 24-months to meet the needs of large-scale commercial cannabis production. The live-plant genetics have been tailored to work with PCS's infrastructure and cultivation program to optimize three primary commercial characteristics: CBD and terpene content, plant yield and crops per year.

On March 11, 2020, the Company announced that its wholly owned subsidiary, Farmako submitted its application documents to the respective regional authorities in Germany for the granting of EU-GMP certification, as well as an MIA under the *German Medicinal Products Act*. The Company expects the EU-GMP and MIA licensing processes to be completed by summer 2020.

On March 13, 2020, the Company reported that it closed the acquisition of Sanna, Pursuant to the terms of a definitive share exchange agreement among the Company, Sanna, and Sanna's shareholders, the Company acquired all of the issued and outstanding shares in Sanna in exchange for the issuance of 76,666,666 Shares (on a pre-Consolidation basis) at a deemed price of $0.30 per Share for total aggregate consideration of $23,000,000. The Sanna agreement further provides that the Sanna shareholders receiving Agra's Shares will be subject to a staged 18 month lock up, whereby one-third of the Sanna shareholder's Shares will become free trading 6 months following closing, one-third will become free trading 12 months following closing, and the final one-third will become free trading at the earlier of 18 months following closing and the date on which Sanna receives (by way of its wholly owned subsidiary) a cultivation licence, as issued under the *Cannabis Act*, in relation to its proposed cultivation facility located in Binbrook, Ontario.

On March 27, 2020, the Company announced that its wholly owned subsidiary SGSC, a federally licensed cannabis company based in the Greater Toronto Area, received Health Canada approval to commence extraction at its licensed facility pursuant to an amendment to its Standard Processing License. SGSC has been actively engaged in the Canadian CBD business, working with partner farmers to optimize the harvest to hemp-crops to maximize the efficiency of subsequent CBD extraction. In March 2020, SGSC commenced a trial extraction of hemp biomass which will be extracted using third party extraction services and sold as a combination of CBD crude oil, CBD distillate and CBD isolate to Canadian purchasers.

On April 6, 2020, the Company announced that its key asset, the Delta Facility, had completed additional steps in the process to obtain a license to cultivate cannabis from Health Canada. On April 3 2020, the Delta Facility submitted responses to the third RMI from Health Canada with respect to its cultivation application. The information submitted pursuant to the third RMI was submitted to clarify information previously submitted to Health Canada on February 28, 2020.

On April 24, 2020, the Company announced that its wholly-owned subsidiary SGSC successfully produced the first full run of full spectrum winterized CBD crude oil and CBD distillate. SGSC has previously partnered with MC45, a Canadian company that has developed a post-harvest mechanical separation process for hemp that results in higher extraction value. Under this partnership, SGSC has entered into agreements with multiple Canadian companies licensed under the *Cannabis Act* to create formulations and finished products with CBD oil, CBD distillate and CBD isolate from Canadian grown hemp, sourced and processed by MC45. Recently, SGSC completed the first batches of CBD oil and CBD distillate which are in the final stages of being prepared for sale. SGSC expects to have its first batch of CBD isolate completed in the second quarter of 2020.

On April 30, 2020, the Company announced that it closed a non-brokered private placement of 266,666,667 Units at a price of $0.075 per Unit for gross proceeds of $20,000,000. Each Unit shall consist of one (1) Share and one (1) transferable Warrant. Each Warrant entitles the holder thereof to purchase one (1) additional Share for a period of five year from closing at a price of $0.10 per Share.

On May 15, 2020, Edibles and Infusions announced that the construction on its 51,000 sf. fully automated edibles manufacturing facility in Winnipeg, Manitoba was complete. The Company is now preparing to apply for a standard processing license from Health Canada. It intends to submit the application for the processing license before the end of May 2020. The completed 51,000 sf Winnipeg Edibles Facility was built to meet or exceed regulatory standards with respect to security, cleanliness and product safety. The equipment to be used for manufacturing is of the highest quality and will allow Edibles and Infusions to pursue EU-GMP certifications in the future. The equipment utilizes specialized dosing technology that provides specific dosing to meet regulatory requirements and customer specifications, while also reducing the risk of contamination or degradation of the cannabis inputs. When fully operational, Edibles and

Infusions expect to produce over 250,000 pieces of precisely dosed edibles per eight-hour shift. The facility can be run 24/7 if required and is anticipated to require only 30 staff at full operation due to the high level of planned automation. The Winnipeg Edibles Facility is designed to be flexible with respect to future product lines including chocolates and drinks, and scalable up to 1,000,000 pieces of precisely dosed edibles per eight-hour shift with additional manufacturing lines.

On May 19, 2020, the Company announced that PSC, the Company's cultivation asset located in Delta, British Columbia secured a Standard Cultivation License from Health Canada. PSC will now commence the cultivation of its curated portfolio of elite live-plant genetics which were specially curated by an award winning Canadian cultivator with a focus on combining high potency with above-average yields and favourable agricultural traits such as disease and pest resistance. Combined with the agricultural experience and expertise of the PSC management team, these genetics will support the Company's strategy of producing high potency, low cost cannabis to support national value brands

On May 20, 2020, the Company announced its wholly owned subsidiary SGSC had entered into an extraction partnership for hemp processing with a top tier extractor located in Quebec. The extractor partnership is in conjunction with SGSC's joint venture partner MC45, a Canadian hemp company that has developed a unique post-harvest mechanical separation process for hemp biomass that results in higher extraction values. Under the terms of the agreement, the supply partners will deliver to the extractor, 44,000kg of hemp biomass for crude and distillate extraction in four installments over six months. As the supply partners, MC45 will provide the high quality hemp biomass to the extractor with SGSC serving as the funding partner.

On May 20, 2020, Company announced that it intended to complete a non-brokered private placement of up to 26,666,667 Units of the company at a price of $0.075 per Unit for gross proceeds of $2-million. Each Unit shall consist of one Share and one transferable Warrant. Each Warrant entitles the holder thereof to purchase one additional Share of the company for a period of five years from closing at a price of $0.10 per Share.

On May 25, 2020, the Company closed the non-brokered private placement previously announced on May 25, 2020 and issued 20,700,000 Units of the Company at a price of $0.075 per Unit for gross proceeds of $1,552,500.00. Each Unit consisted of one (1) Shares and one (1) transferable Warrant. Each Warrant entitles the holder thereof to purchase one (1) additional Share of the Company for a period of five years from closing at a price of $0.10 per Share.

On June 3, 2020, the Company announced that on May 28, 2020, its subsidiary Edibles and Infusions submitted its site evidence package to Health Canada for a standard processing license for its Winnipeg Edibles Facility.

On June 5, 2020, the Company announced that on June 3, 2020, its wholly owned subsidiary Farmako entered into a binding supply term sheet (the "Term Sheet") with ZenPharm Ltd ("ZenPharm"), a subsidiary of Zenabis Global Inc. ("Zenabis") The Term Sheet serves as the basis to enter into a supply agreement which is expected to be completed in the coming weeks. Under the conditions of the Term Sheet, ZenPharm will supply EU-GMP quality medical cannabis flower cultivated by Zenabis to Farmako for distribution to medical cannabis patients in Germany. The agreement is intended to facilitate the distribution of 1,500 kilograms of cannabis flower by Farmako in Germany over a 3 year term, with options for the parties to extend the supply relationship. Farmako will receive the products in Germany and distribute them nationally under its own brand to its roster of German pharmacies and doctors. The products provided by ZenPharm, initially including high potency THC flower and balanced THC and CBD flower, two product categories that management believes are in highest demand in Germany. Shipments to

Farmako are expected to start in Q4 2020. The parties have further agreed to work collaboratively on additional product formulations to be added to the contemplated agreement in 2021, including cannabis oils and other novel dosage forms.

On June 15, 2020, the Company announced that PSC commenced commercial cannabis cultivation using a curated portfolio of live-plant genetics with a focus on producing high potency cannabis with attractive strains, while maintaining a low cost. Management anticipates the combination of high potency and low cost will result in a product that is attractive to consumers in the retail and wholesale markets. Management expects PSC to commence sales during 2020. The first phase of operations at the Delta Facility utilizes 422,828 sq. ft. of cultivation space with state-of-the-art semi-pressurized, semi-open Venlo greenhouses. The Delta Facility is located in a desirable agricultural micro-climate on the Pacific coast which will contribute to increased quality and reduces the cost of cooling the Delta Facility. Management expects these attributes, along with the Elite Genetics, to produce a compelling value proposition for customers by providing high potency cannabis at a fair price.

On June 26, 2020, the Company announced that its wholly owned subsidiary Sustainable Growth Strategic Capital Corp., a federally licensed cannabis company based in the Greater Toronto Area entered into a cultivation partnership for hemp cultivation in Ontario.

On July 8, 2020, the Company announced that it completed a non-brokered private placement of 11,612,000 units of the Company at a price of $0.075 per unit for gross proceeds of $870,900. Each unit consisted of one Share and one transferable Warrant. Each Warrant entitles the holder to purchase one Share for a period of 5 years at a price of $0.10 per Share.

On July 14, 2022, the Company announced that it's wholly owned subsidiary Sustainable Growth Strategic Capital Corp., a federally licensed cannabis company based in the Greater Toronto Area, in partnership with its biomass partner MicroC45, generated an inventory of approximately 1,000 kg of CBD Crude Oil and Distillate, which it is readying for sale this quarter. The CBD oil was produced from approximately 10,000 kilograms of hemp biomass that was subject to the Company's proprietary preextraction processes.

On August 24, 2020, the Company provided an update on the progress of cultivation at Propagation Services Canada Inc., the Company's flagship cultivation asset located in Delta, British Columbia, which commenced cultivation using a curated portfolio of live-plant genetics in June 2020.

On August 27, 2020, the Company announced that it had received a necessary CRA tax license and was creating test cannabis edible products through its Health Canada licensed Research and Development Lab in Winnipeg, Manitoba.

On September 15, 2020, the Company announced that its wholly owned subsidiary Farmako executed a binding supply agreement with ZenPharm Ltd., a subsidiary of Zenabis Global Inc.

On September 17, 2020, the Company announced that on September 9, 2020, its wholly owned subsidiary Farmako entered into a binding distribution agreement with Adjupharm GmbH, the German subsidiary of IM Cannibis Corp.

On October 2, 2020, the Company announced that the Company submitted a formal response to Health Canada's first Request for More Information regarding the Standard Processing License application for Agra's 51,000-Square-foot fully automated edibles manufacturing facility in Winnipeg, Manitoba.

On November 23, 2020, the Company announced that Propagation Services Canada Inc., the Company's flagship cultivation asset located in Delta, British Columbia, received an Agriculture Loan to bring its cannabis cultivation to market and continue Phase 1 of the Company's cultivation strategy.

On November 25, 2020, the Company announced that it acquired High Performance Liquid Chromatography equipment for Agra's 51,000-Square-foot fully automated edibles manufacturing facility in Winnipeg, Manitoba.

On December 10, 2020, the Company provided its 2021 phase 1 guidance for its cannabis cultivation operations at Propagation Services Canada Inc., the Company's flagship cultivation asset located in Delta, British Columbia.

On December 15, 2020, the Company announced that on December 11, 2020, the Company received a newly issued Standard Processing License from Health Canada from Agra's 51,000-Square-foot fully automated edibles manufacturing facility in Winnipeg, Manitoba.

Year Ended December 31, 2021

On January 13, 2021, the Company announced an update on its entrance to the edibles market with the completion of the first phase of R&D trials at its Health Canada licensed 51,000-Square-foot fully automated edibles manufacturing facility in Winnipeg, Manitoba.

On February 11, 2021, the Company announced that its subsidiary, SUHM Investments Inc. completed a non-brokered private placement of 3,270,000 common shares of SUHM Investments Inc. at a price of $0.50 per common share for gross proceeds of $1,635,000. The Company also announced that it entered into a third amending agreement with Mulberry Capital Inc. amending the terms of a share purchase agreement dated April 25, 2019, entered into between Mulberry Capital Inc. and Organic Flower Investment Group Inc. The Company further announced an agreement with holders of the Company's 10.00% Senior Unsecured Convertible Debentures originally due March 12, 2021 to amend the terms of the debentures. The Company also announced the issuance of 49,667,785 Shares (on a pre-Consolidation basis) to 10026310 Manitoba Ltd. pursuant to the joint venture agreement entered into among SUHM Investments Inc., Quality Confections Canada Ltd., Edibles and Infusions, and the manager. The Company additionally announced that it has entered into a settlement agreement with Unicorn Asset Management GmbH, Sivota Holding GmbH, HB Capital GmbH, Tiger Soft Pharma UF.

On February 23, 2021, the Company provided an update regarding initial sales and revenue for its cannabis production facility, Propagation Services Canada Inc., the Company's flagship cultivation asset located in Delta, British Columbia.

On March 8, 2021, the Company announced that Elise Coppens was appointed as Agra's new Chief Executive Officer and as a member of the Company's board of directors.

On March 10, 2021, the Company announced that it accepted the resignation of Christopher (Chris) Hornung from the Company's board of directors. Mr. Hornung's amicable resignation facilitates the expected appointment of a new director to the Company's board in the near future and is aligned with the recent appointment of Elise Coppens as Agra's Chief Executive Officer and Director to implement the next phase of the Company's corporate strategy.

On April 1, 2021, the Company announced the signing of a definitive agreement to sell its wholly-owned subsidiary, AAA Heidelberg Inc., for cash consideration of approximately $1 million.

On April 6, 2021, the Company announced that it and its fellow shareholders entered into an agreement to sell Edibles and Infusions, to Organigram Holdings Inc., for consideration of $22 million in shares of OGI, plus up to an additional $13 million in shares of OGI receivable upon the Edibles and Infusions business achieving certain earn-out milestones.

On April 12, 2021, the Company announced that its wholly-owned subsidiary, Farmako, begun supplying STADAPHARM GmbH with its proprietary THC Testkits.

On May 3, 2021, the Company announced that the Company's annual financial statements and accompanying management's discussion and analysis for the fiscal year ended December 31, 2020 were not finalized by April 30, 2021, being the date that such filings are due under applicable Canadian securities law requirements. The Company applied for, and was granted, a management cease trade order by the British Columbia Securities Commission as a result. On May 4, 2021, the management cease trade order granted by the British Columbia Securities Commission on May 3, 2021 was lifted on May 3, 2021.

On May 5, 2021, the Company announced that Fiona Fitzmaurice was appointed as Agra's new Chief Financial Officer effective May 1, 2021.

On July 26, 2021, the Company announced that effective July 28, 2021, it will change its name to Agra Ventures Ltd. to better reflect the evolved vision and strategic direction of the Company under current leadership. The Company also announced the intent to consolidate the Shares of Agra.

On August 25, 2021, the Company announced that pursuant to a director's resolution, Agra will be consolidating all of its issued and outstanding share capital on the basis of one post-consolidation share for each one hundred and fifty pre-consolidation Shares. No fractional shares will be issued by Agra under the consolidation and any fraction will be rounded to the nearest whole number.

On August 30, 2021, the Company announced that it received the rest results from the four successful batches that comprise the recent crop of cannabis grown and harvested at its Delta greenhouse complex. The Company submitted five strain samples – Mimosa, Motor Breath, Purple Punch, Rogue Gelato and Thrive – to an independent, Ontario-based laboratory to test each one for THC content, CBD content and moisture level.

On September 8, 2021, the Company announced that the Company received notice from Organigram Holdings Inc. that the first of three Edibles and Infusions earnout milestones were satisfied on August 13, 2021. The first earnout milestone was satisfied upon the delivery of EIC-manufactured product to the Alberta recreational cannabis marketplace and triggering the aggregate release of $3,500,000 worth of Organigram common shares to the vendors of EIC. Agra was entitled to receive approximately 43 per cent of the earnout shares, or approximately $1,515,000 worth of the earnout shares, within 30 days of satisfying the first milestone.

On September 17, 2021, the Company announced that it changed its auditor from DMCL to Bakertilly effective September 15, 2021. The Company further announced that it was served with a petition in the British Columbia Supreme Court seeking an order granting the petitioner leave of the court to commence a civil claim in the name of and on behalf of the Company against certain defendants.

On October 14, 2021, the Company announced that its wholly owned subsidiary, Farmako, expanded its portfolio of cannabis identity testing kits to offer a model that tests for both THC and CBD. The new testkit is validated for a broad range of cannabis products, which differentiates it from other available tests, and facilitates the identity testing of different types of cannabis medicines and active pharmaceutical ingredients.

On October 26, 2021, the Company announced that Fiona Fitzmaurice was appointed to its board of directors effective October 22, 2021.

On November 15, 2021, the Company announced the signing of a cannabis purchase agreement with an arm's length third party. The cannabis purchase agreement specifies the recurring monthly purchase of a defined minimum quantity of cannabis in dried flower form, with a minimum range of THC content, terpenes and other specifications.

On November 18, 2021, the Company announced that its wholly owned subsidiary, Farmako, conducted the first commercial import of cannabis extracts from Poland to Germany, which is the largest medical cannabis market in Europe. The extracts were produced according to the highest standards by Pharmacann Polska Sp. z o.o., an EU-GMP-certified cannabis company and part of PHCANN International.

Subsequent to December 31, 2021

On February 9, 2022, the Company announced that it recorded over $318,000 in revenue with an additional $173,000 under signed contract from the sale of dried cannabis flower on a wholesale basis over the two-month period from December 7, 2021 to February 8, 2022. The Company also announced that it entered into a definitive share purchase agreement with Twenty One Investment Holdings Inc. ("TOIH") and all shareholders of TOIH to acquire up to 34% of the issued and outstanding common shares of TOIH.

On February 11, 2022, the Company provided an update relating to Germany's planned legalization of recreational cannabis and the potential impacts on legalization for Agra's business. The Company further announced that it entered into a settlement agreement to resolve outstanding legal claims against the Company's wholly owned subsidiary, Sanna initiated by a former executive of Sanna. Pursuant to the terms of the settlement, the Company agreed to issued the former executive 552,609 Shares of the Company, in addition to a cash payment.

On April 5, 2022, the Company announced that it entered into an agreement with the holders of the Company's 10.00% senior unsecured convertible debentures, to amend the debentures to extend the maturity date for an additional twelve months to March 12, 2023. The Company additionally satisfied the aggregate accrued interest on the debentures for the period from January 1, 2021 to December 31, 2021, totaling $2,100,000, by the issuance of 1,200,000 Shares on a pro-rata basis to the holders of the debentures.

On April 7, 2022, the Company advised the 10.00% senior unsecured convertible debentures have been further amended so that the conversion price of the debentures is at a price per share equal to the VWAP of the Company's Shares on the CSE for the five trading days prior to the applicable conversion date, subject to a minimum issue price of $0.05.

On June 27, 2022, the Company announced the resignation of Elise Coppens as CEO and the appointment of David Grand as CEO, effective July 1, 2022. Elise Coppens will remain on the board of directors of the Company.

DESCRIPTION OF THE BUSINESS

General

The Company is a vertically integrated cannabis company equipped with a robust portfolio of licensed upstream, downstream and product formulation assets. The Company controls a 70% interest in PSC and its large-scale, 2.2 million square foot greenhouse complex in Delta, British Columbia. The Company's Delta Facility is equipped with 2.2 million square feet of dedicated cultivation area under glass and is considered to be a world-class technically advanced and environmentally efficient greenhouse operation.

The Company, through its subsidiary Farmako, is working towards becoming Europe's leading distributor of medical cannabis related products in Europe. Farmako is a German EU-GDP-certified medical cannabis pharmaceutical wholesaler, focused on providing reliable cannabinoid therapy to potential patients. Farmako is fully-licensed to distribute medical cannabis to pharmacies in Germany and maintains a wholesale and controlled drug license in the United Kingdom. Farkamo has successfully distributed medical cannabis to German pharmacies since March 2019 and maintains a distribution network of approximately 18,900 pharmacies in Germany with an established client base.

Production and Facilities

Delta, British Columbia

The Company controls 70% of PSC's flagship Delta Facility. The Company's investment in the Delta Facility is considered to be a world-class technically advanced and environmentally friendly greenhouse operation, which boasts industry-leading cultivation infrastructure including:

The Delta Facility is equipped with industry-leading cultivation infrastructure, including:

- Fully integrated on-site natural gas-powered power plant (providing ample heat and electricity, while repurposing carbon dioxide emissions to benefit the plants).
- Proprietary energy efficient air exchange to maintain stable climate conditions;
- Advanced climate and humidity control management infrastructure;
- Ebb and flow watering systems to enhance complete irrigation recapture and water treatment; 1.5-milliongallon hot water storage tank configured to store energy produced during the day, for redistribution during non-peak hours, thereby increasing operational efficiencies and reducing associated energy costs;
- Multistage supplemental lighting augmented by natural sunlight to foster an optimized illumination equilibrium; and
- Proprietary ERP system to allow for efficient resource management and cost tracking.

Brands

Agra is focused on expanding its product development, manufacturing capacity and sales capability in the cannabis consumer products market for both medical and recreational users.

Distribution and Sales

The *Cannabis Act* provides provincial, territorial and municipal governments with the authority to prescribe regulations regarding retail and distribution of recreational cannabis. As such, the distribution model for recreational cannabis is prescribed by provincial regulations and differs from province to province. Some provinces have government run retailers, while others have government-licensed private retailers, and some have a combination of the two. All of the Company's recreational sales are conducted according to the applicable provincial and territorial legislation and through applicable local agencies. The Company continues to monitor the developing legislation to identify opportunities for its business.

The *Cannabis Act* introduced restrictions on the promotion of cannabis products, cannabis accessories and services related to cannabis. These include restrictions on the content of promotions as well as locations where promotions may take place. With these restrictions in mind, the Company is committed to building a "customer first" portfolio of differentiated brands that are market leaders in their respective segments by building brand strength, leading innovation to drive the market, and winning at the retail level.

Building brand strength involves driving awareness and consideration across a differentiated brand portfolio delivering against distinct needs, occasions, price points and age cohorts. Leading innovation to drive the market entails expanding the market and usage by introducing new formats and accessories that invite consumers and convert more users from the black market. Winning at the retail level means accelerating sales by creating unmatched branded experiences across stores, online and third party retailers that convert and retain loyal customers.

Specialized Skill and Knowledge

A primary specialized skill unique to the cannabis industry is with respect to the growing of product. While a background in the growing of cannabis specifically may be helpful, the nature of growing cannabis does not differ substantially from the nature of growing any other greenhouse product. Such specialized skills are readily available to the Company.

The Company also requires client care staff, the need of which will increase as the business expands. Customer care staff is a skill set that is generally available in the market.

Certain of the Company's operations are required to be in compliance with the *Cannabis Act* and any directives issued by Health Canada, which includes, strict security measures, equipment required to manage production, HVAC systems, odour control systems and laboratory equipment or outsourcing arrangements to monitor and test product quality. In order to ensure compliance with all of the Health Canada regulatory requirements, the Company must employ a number of regulatory, consulting and government relations personnel. While a background in the cannabis industry is not necessary for these purposes, experience in other regulated industries will assist the Company to remain compliant with the complex and rapidly evolving regulations in the industry. Individuals with this experience and skill are available to the Company.

Certain individuals occupying a "key position" with License Holders such as directors, officers, large shareholders and individuals identified by the Minister must hold a valid security clearance issued by the Minister. Under the Cannabis Regulations, the Minister may refuse to grant security clearances to individuals with associations to organized crime or with past convictions for, or an association with, drug trafficking, corruption or violent offences. A security clearance cannot be valid for more than five years and must be renewed before the expiry of a current security clearance. A failure by an individual in a key operational position to maintain or renew his or her security clearance could result in a reduction or complete suspension of certain operations. Given the limited history of the Canadian cannabis industry, there are limited individuals that currently hold a valid security clearance issued by the Minister.

The Company's management is comprised of individuals who have extensive expertise in the cannabis industry. In addition, the Company's board of directors is constituted by experienced professionals from various relevant industries. See "*Directors and Officers*" for additional details.

Competitive Environment

As of the date of this AIF, Health Canada has a total of 875 companies and individuals on its list of Licence Holders, which includes duplicate sites for some Licence Holders. There are also a number of unlicensed growers of cannabis who have or will seek to obtain some form of Licence under the *Cannabis Act*. In addition, there are illegal growers and retailers operating in the black market that, while operating illegally, still act as competitors to the Company by either diverting customers away due to product choice or price point, or for those individuals who choose to continue to purchase their cannabis from the black market as it may be perceived as being more convenient, and they have grown accustomed to the quality and supply of their product.

In regards to industrial hemp and hemp-derived CBD, with the increased interest in CBD in Canada, the United States and internationally, the industrial hemp market will likely continue to expand. Market entrants in Canada and the United States face regulatory hurdles which may impede access to the market, as well as regulatory uncertainty surrounding the treatment of CBD.

Internationally, the capacity of cannabis companies to operate is limited to those countries which have legalized aspects of the production, distribution, sale and use of cannabis. Farmako, the Company's German medical cannabis business, has been acknowledged as being one of the top 3 independent distributors of medical cannabis in Germany. The Company believes that it is well positioned to benefit from the growth of the German market for medical cannabis.

The Company believes that its leadership team, brand strategy, commitment to high quality competitively priced strains, outstanding client service and a properly capitalized operation will enable the Company to establish and retain a leadership position in the market. The Company competes aggressively in terms of product quality, variety and price to differentiate its products, and maintains a focus on client services to retain a solid and sustainable position in the market. See "*Risk Factors – Competition*" for additional information.

Components

In the cultivation process, obtaining seeds for growing cannabis must be done in accordance with the *Cannabis Act*. Seeds can be obtained from Health Canada, imported from a jurisdiction for medical purposes, or acquired from another Licence Holder. An authorization from Health Canada may be required to conduct such a transaction depending on its nature.

The equipment used to cultivate and process cannabis is specialized but is readily available and not specific to the cultivation of cannabis. The Company does not anticipate any difficulty in obtaining equipment as needed.

New Products

The Company is currently developing new and innovative medical and recreational cannabis products which will need to be approved by Health Canada. The availability of these products is contingent on a number of factors, including the implementation of a regulatory structure for such products. In addition to its cannabis products, its subsidiaries also sell a variety of cannabis accessories and continue to develop new products for the public. See "*Description of Business – Regulatory Overview*" and "*Risk Factors*" for additional details.

Cycles

The output of the Company's greenhouse and outdoor grow facility may be affected by seasonal changes in weather.

Intangible Properties

In addition to the Company's medical and recreational brands as detailed above, the proprietary nature of, and protection for, the Company's products, technologies, and processes are a key aspect to Agra's business. The Company relies on a combination of patents, trademarks, copyrights and know-how to establish and protect its IP. The Company has established and continues to build proprietary positions in all key aspects of its business. The Company invests heavily in its IP and considers it to be one of the pillars of the Company's value. The duration of the protection afforded by the Company's registered IP varies by the nature of the registration, but the Company manages renewals and notices on an on-going basis to ensure that the Company's IP is protected to the full extent possible under applicable law.

Foreign Operations

The Company's international expansion strategy is dependent on its foreign operations and the success thereof, as well as legislative developments in each of those countries.

Employees

As at December 31, 2021 Agra had no full-time employees.

Business Outside Canada

The Company only conducts business in jurisdictions outside of Canada where such operations are legally permissible in accordance with all of the laws of the foreign jurisdiction, the laws of Canada and its regulatory obligations. The legal and regulatory requirements in the foreign countries in which the Company operates with respect to the cultivation and sale of cannabis, as well as local business culture and practices are different from those in Canada. Prior to commencing operations in a new country, in partnership with its local legal counsel, consultants and partners, the Company conducts legal and commercial due diligence in order to ensure that it and its officers and directors gain a sufficient understanding of the legal, political and commercial framework and specific risks associated with operating in such jurisdiction. Where possible, the Company seeks to work with respected and experienced local partners who can help to understand and navigate the local business and operating environment, language and cultural differences. In consultation with advisors, the Company takes steps it deems appropriate in light of the level of activity and investment it expects to have in each country to ensure the management of risks and the implementation of necessary internal controls.

Investment Policy

While the nature and timing of Agra' investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to Agra, the principal investment objectives of Agra include: (i) identification of early stage investment opportunities with attractive economics relative to the risks; (ii) identification of high-return investment opportunities by investing in strategic, high-performing counterparties; (iii) investment in counterparties in various segments of the cannabis industry value chain that will integrate well into Agra' existing investee ecosystem, so that the counterparty, the existing investee ecosystem, and shareholders can benefit and maximize the potential of this ecosystem; (iv) preservation of capital and limiting the downside risk of its capital; (v) achievement of a reasonable and sustainable rate of capital appreciation; (vi) achievement of a reasonable and sustainable rate of cash flow generation; (vii) mitigation of the risks associated with investments to the extent possible; and (viii) seeking of liquidity in its investments where warranted.

In pursuing its investment strategy and in realizing the investment objectives outlined above, Agra carefully reviews a number of factors relating to investment candidates, including but not limited to the following: (i) quality of the management team's background and experience; (ii) alignment of interests with management through equity ownership; (iii) stage of investee's life cycle and extent of operating history; (iv) business and geography of the investee, including any unique and/or differentiated element; (v) regulatory model and legal environment in which the investee operates in order to ensure compliance with applicable laws as well as long-term growth opportunities; (vi) form of investment structure, including equity, debt, royalty, joint venture and/or profit-sharing agreements with a view to providing shareholders with stability and predictability of cash flows with equity-linked upside; (vii) ability for ongoing engagement with the investee; and (viii) extent of potential return on investment.

Agra has access, through the domestic and global network of its management team, advisors and its board of directors, to what is anticipated to be a significant pipeline of domestic and global cannabis companies seeking alternative financing solutions. From this pipeline, and guided by the investment objectives and strategy outlined above, Agra' investment team of qualified financial and technical professionals carefully select appropriate investment candidates for potential integration.

Following identification of a possible investment candidate, Agra conducts significant and detailed financial, operational and legal due diligence, using both its internal team of qualified professionals as well as external advisors and counsel as required. In addition to the financial support provided to investees, Agra offers operational support to investees in its ecosystem. This support is investee-specific depending upon the needs of each investee. Notwithstanding the foregoing, from time to time, the board of directors of Agra may authorize such investments outside of these disciplines as it sees fit for the benefit of Agra and its shareholders.

The nature and timing of Agra' investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to Agra. Agra intends to continue building a diverse investment portfolio, both in terms of geography and segment of the cannabis value chain, although the composition of such portfolio will vary over time depending on a number of factors, including: performance of financial markets; risk; development of the domestic and international cannabis industry and regulations related thereto; and other macro- and micro-economic factors impacting the cannabis industry and Agra. Given the host of factors influencing the investment process, it is accordingly difficult to predict exactly how Agra' investment portfolio will evolve over time.

Regulatory Overview

Canada

On October 17, 2018, the Cannabis Regulations under the *Cannabis Act* came into force, and set out the following classes of licences that authorized activities in relation to cannabis:

- a licence for cultivation;
- a licence for processing;
- a licence for analytical testing;
- a licence for sale for medical purposes;
- a licence for research; and
- a cannabis drug licence.

Prior to October 17, 2018, cannabis was governed by the CDSA. Under the CDSA, the ACMPR set out a framework to provide individuals with access to cannabis for medical purposes and was the governing legislation in respect of the production, sale and distribution of medical cannabis and related oil extracts in Canada. Although the ACMPR were repealed, the regulatory framework applicable to cannabis for medical purposes was substantially reproduced within the *Cannabis Act* with minimal changes.

At the end of each term of their respective Licences, a Licence Holder must submit an application for renewal to Health Canada containing information prescribed by the *Cannabis Act*.

The *Cannabis Act* legalized recreational cannabis use nationwide in Canada. It creates a legal framework for controlling the production, distribution, sale and possession of cannabis across Canada for both medical and recreational purposes. Subject to provincial or territorial restrictions, adults who are 18 years of age or older are legally able to:

- possess up to 30 grams of legal cannabis, dried or equivalent in non-dried form in public;
- share up to 30 grams of legal cannabis with other adults;
- buy dried or fresh cannabis and cannabis oil from a provincially-licensed retailer;
- grow, from licensed seed or seedlings, up to four cannabis plants per residence for personal use; and
- make cannabis products, such as food and drinks, at home as long as organic solvents are not used to create concentrated products.

Further, the current regime for medical cannabis will continue to allow access to cannabis to people who have the authorization of their healthcare provider.

The *Cannabis Act* provides provincial and municipal governments with the authority to prescribe regulations regarding retail and distribution, as well as the ability to alter some of the existing baseline requirements, such as increasing the minimum age for purchase and consumption. As the distribution and sale of cannabis for recreational purposes is regulated under the individual authority of each provincial and territorial government, regulatory regimes vary from jurisdiction to jurisdiction. In each of the provinces and territories, except for Saskatchewan, a provincial distributor is responsible for purchasing cannabis from producers and selling products to its regulated retail distribution channels. In addition, in each province and territory, other than Saskatchewan and Manitoba, the provincial distributor is solely responsible for online sales. With respect to retail sales of cannabis, other than online sales, the provincial and territorial regulations in Prince Edward Island, Nova Scotia, New Brunswick, Quebec, and the Northwest Territories allow only for government run cannabis stores, while the provincial and territorial regulations in Ontario, Manitoba, Saskatchewan, Alberta and Yukon leave the retail sale of cannabis, other than online sales, to the private sector. In Newfoundland, British Columbia and Nunavut, provincial and territorial regulations allow for a hybrid model in which both public and private stores can operate.

The *Cannabis Act* also includes several measures to help prevent youth from accessing cannabis, including both age restrictions and restrictions on the promotion of cannabis. Regulations under the *Cannabis Act* include the following labeling and branding requirements: plain packaging, including a standardized cannabis symbol on every label; mandatory health warning messages (including specifics regarding size, placement and appearance); a limit of one brand element aside from the brand name; no other image or graphic; backgrounds need to be a single, uniform colour; use of fluorescent or metallic colours is prohibited; labels and packaging cannot have any coating or embossing; and no inserts can be included. The *Cannabis Act* also discourages youth cannabis use by prohibiting products that are appealing to youth, packaging or labeling cannabis in a way that makes it appealing to youth, selling cannabis through self-service displays or vending machines, or promoting cannabis, except in narrow circumstances, where young people cannot see the promotion. The new legislation also helps protect public health by creating strict safety and quality regulations.

In connection with the new framework for regulating cannabis in Canada, the Canadian Federal Government has introduced new penalties under the *Criminal Code* (Canada), including penalties for the illegal sale of cannabis, possession of cannabis over the prescribed limit, production of cannabis beyond personal cultivation limits, taking cannabis across the Canadian border, giving or selling cannabis to a youth and involving a youth to commit a cannabis related offence.

Currently, permitted cannabis product formats in Canada include dried flowers, oils, soft-gel capsules and pre-rolled cannabis products. The Canadian federal government released regulations with respect to the regulatory framework for ingestible cannabis, cannabis extracts and cannabis topical products (often referred to as the Cannabis 2.0 regulations), which were put into force by the federal government on October 17, 2019.

Germany

Germany operates a highly regulated regime with respect to the production, approval and dispensing of medicinal cannabis, developed in response to its obligations pursuant to the 1961 Single Convention.

In Germany, cannabis, both in the form of flowers as well as extracts, is regulated by the Betäubungsmittelgesetz. The Betäubungsmittelgesetz also regulates cannabis manufactured for medical purposes under state control in accordance with Articles 23 and 28 para. (1) of the 1961 Single Convention. Consequently, all cannabis-related activities (namely cultivation, production, trading, importation, exportation, sale, or other placing in the market) are generally prohibited, except when carried out by entities operating under a permit by the competent authority, according to Section 3 para. (1) No. 1. of the Betäubungsmittelgesetz. With respect to medical cannabis, this is defined as a medicinal product within the meaning of Section 2 para. (1) or (2) no. 1 of the Arzneimittelgesetz.

In addition to the required permission pursuant to the Betäubungsmittelgesetz, the wholesale trade of medical cannabis must also comply with the specific regulations of the Arzneimittelgesetz. In addition to the general permission under Section 3 of the Betäubungsmittelgesetz, anyone wishing to participate in cannabis-related activities will need an import or export authorisation from the Bundesinstitut für Arzneimittel und Medizinprodukte (BfArM) for each individual import and export transaction. In accordance with Section 21 para. (1) of the Arzneimittelgesetz, finished medicinal products may only be placed on the market if they have previously been approved by the competent authority. Access to medical cannabis in Germany is handled in the majority of the Bundesländer (Federal States) by way of pharmacies dispensing pharmacy-compounded products.

Risk Factors

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones that the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks actually occur, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly.

PSC ownership risk

The Company operates the Delta Facility through PSC, which, as disclosed elsewhere in this AIF, the Company owns a 70% interest in. The existence or occurrence of disagreements with the other PSC shareholders on how to operate and further develop the Delta Facility or the inability to exert influence over certain strategic decisions made in respect of the Delta Facility, including with respect to any potential revenues of PSC that are distributed to the Company, could have a material adverse effect on the Company's profitability or the viability of Agra's interest held in PSC, which could have a material adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The capital structure of the Company consists of equity attributable to common shareholders. The availability of new capital will depend on many factors including positive stock market conditions, and the experience of management.

Reliance on Licensing

The ability of the Company to continue its business of growth, storage and distribution of cannabis is dependent on the good standing of all licenses, including the licenses to produce and sell cannabis and hemp derivatives, and adherence to all regulatory requirements related to such activities. Any failure to comply with the terms of the licenses, or to renew the licenses after their expiry dates, would have a material adverse impact on the financial condition and operations of the business of the Company.

Although the Company believes that it will meet the requirements of future extensions or renewals of the licenses, there can be no assurance that the regulating bodies will extend or renew the licenses, or if extended or renewed, that they will be extended or renewed on the same or similar terms. Should the regulatory bodies not extend or renew the licenses, or should they renew the licenses on different terms, the business, financial condition and operating results of the Company would be materially adversely affected.

Change in Law, Regulations and Guidelines

The Company's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage, sale and disposal of cannabis as well as laws and regulations relating to health and safety, privacy, the conduct of operations and the protection of the environment. While to the knowledge of management, Agra is currently in compliance with all such laws, regulations and guidelines, changes to such laws, regulations and guidelines due to matters beyond the control of Agra may have an adverse effect on the Company's operations and the financial condition of Agra.

While the potential impact of any of such changes is highly uncertain and fact dependent, it is not expected that any such changes would have an effect on Agra's operations that is materially different than the effect on similar sized companies in the same business as Agra. In addition, the industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond Agra's control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce Agra's potential earnings and could make future capital investments or Agra's operations uneconomic.

Regulatory Risk

Agra operates in a new industry which is highly regulated and is in a market which is very competitive and evolving rapidly. Sometimes new risks emerge and management may not be able to predict all such risks, or be able to predict how risks may cause actual results to be different from those contained in any forward-looking statements. PSC's ability to grow, store and sell medical and adult use cannabis in Canada is dependent on the Licences and the need to maintain Delta Facility license in good standing (see "Reliance on Licensing"). Failure to comply with the requirements of the license or any failure to maintain this license would have a material adverse impact on the business, financial condition and operating results of Agra.

Agra will incur ongoing costs and obligations related to regulatory compliance in Canada, Germany and other justifications in which it has or in the future may have operations. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of our operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Agra's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. With respect to its international operations, Agra's officers and directors rely, to a great extent, on the advice of experts in order to keep abreast of material legal, regulatory, and governmental developments as they pertain to and affect Agra's business operations, and to assist Agra with its governmental relations in each jurisdiction where the Agra (and it's subsidiaries) operate.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond Agra's control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future capital investments or Agra's operations uneconomic. The industry is also subject to numerous legal challenges which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

The Company's operations as a Licence Holder (through PSC) under the Cannabis Regulations involves engaging in a new industry and new market regulated under the *Cannabis Act*, the Cannabis Regulations and the Industrial Hemp Regulations. In addition to being subject to general business risks and to risks inherent in the nature of an early stage business, a business involving an agricultural product and a regulated consumer product, the Company will need to continue to build brand awareness in the industry and market through significant investments in its strategy, its production capacity, quality assurance, and compliance with regulations, including significant restrictions on promotional activity. These activities may not promote the Company's brand and products as effectively as intended. The new market and industry into which management is entering will have competitive conditions, consumer tastes, patient requirements and unique circumstances, and spending patterns that may differ from existing markets.

Risks relating to the Delta Facility

The Company's future production is expected to take place at the Delta Facility. Adverse changes or developments affecting the Delta Facility could have a material adverse effect on Agra's ability to continue producing cannabis, cannabis derived products and hemp derived products for the medical and adult use market, its financial condition and prospects.

New diseases and epidemics (such as COVID-19)

Epidemics and/or pandemics, including the outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020, unless contained, could cause a slowdown in global economic growth and have a material adverse effect on our business, operations, financial condition and share price.

The international response to the spread of COVID-19 and its variants has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect the ability to recruit subjects into clinical trials, commodity prices, interest rates, credit ratings, credit risk and inflation. Although a number of restrictions imposed worldwide are in the process of being or have been lifted, the possibility of a resurgence of the COVID-19 outbreak or escalation thereof, or spread of new variants, or outbreak of other communicable disease in areas in which Agra maintains business operations may result in the re-imposition of certain of the foregoing restrictions and/or may result in further restrictions.

Even though the Company has implemented business continuity measures to mitigate and reduce any potential impacts of COVID-19 on our business, operations, supply chain and financial condition, the spread of COVID-19 and its variants or the escalation of the COVID-19 outbreak could have a material adverse impact on Agra's workforce and our continued operations. The continued spread of COVID-19 globally could adversely affect our operations.

The full extent and impact of COVID-19 on our operations cannot currently be ascertained as it depends upon future developments which cannot be predicted, and includes, among other matters, the duration of the outbreak, the escalation of the outbreak, the severity of the virus and the ability to treat it, the ability to collect sufficient data to track the virus and the collective actions taken to curb the spread of the virus.

The continued spread of the virus or escalation of the current state of the COVID-19 pandemic could have a material adverse effect on the economies of the countries in which we operate. In addition, COVID-19 has caused volatility on the CSE on which our Shares are listed. The continued adverse effects of the spread of COVID-19 and its variants if not contained, could have a material adverse effect on our business, operations and financial condition.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash, convertible loan receivable and loans receivable. The Company's maximum exposure to credit risk associated with those financial instruments is $17,453,945, being the face value of those instruments at March 31, 2022 ($18,997,274 as at December 31, 2021). The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. The

Company actively manages its exposure to credit risk, reducing the amount and duration of credit exposures, through close monitoring of relevant accounts.

The loans receivable and convertible loan receivable expose the Company to credit risk and the Company has limited this exposure by securing the PSC loan with collateral; the other loan is unsecured. The PSC loan, up to $50,000,000, is secured by the General Security Agreement which PSC grants to the Company a security interest in, and assigns, mortgages, pledges and charges to and in favor of the Company, all its present and after-acquired personal property, and all proceeds thereof and therefrom, including all right, title and interest of the Company, whether now held or hereafter acquired. The convertible loan receivable is convertible into shares of the entity that issued it.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments and with the construction of its cannabis facilities in Ontario and British Columbia. The Company manages liquidity risk by maintaining adequate cash balances. The Company's expected source of cash flow in the upcoming year will be through equity financing. Cash on hand at December 31, 2021 and expected cash flows for the next 12 months are sufficient to fund the Company's ongoing operational needs. The Company will need additional funding through equity or debt financing, or a combination thereof, to complete its facilities.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices (see "Interest Rate Risk" and "Foreign Currency Risk" below).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. For the Company, interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities the Company is exposed to a change in fair value of the financial instruments. Assuming all other variables remain constant, a 1% (December 31, 2021 – 1%) change in the interest rate would result in approximately increase of $29,244 (December 31, 2021 – $50,855) in interest expense in the consolidated statement of comprehensive loss.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currencies. One of the Company's subsidiary's business is primarily conducted in Euros. As such, the Company is exposed to foreign currency risk in fluctuations among the Canadian dollar and the Euro. Assuming all other variables remain constant, a 15% (December 31, 2021 – 15%) weakening or strengthening of the Euro against the Canadian dollar would result in approximately $7,790 (December 31, 2021 - $15,350) foreign exchange loss or gain in the consolidated statement of comprehensive loss. The Company has not hedged its exposure to currency fluctuations. The Company has not entered into any foreign currency hedging contracts to mitigate foreign currency risk.

Realization of Growth Targets

The Company's ability to produce cannabis, cannabis derived products and hemp derived products is affected by a number of factors, including plant design errors, nonperformance by third party contractors, increases in materials or labour costs, construction performance falling below expected levels of output or efficiency, environmental pollution, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labour disputes, as well as factors specifically related to indoor agricultural practices, such as reliance on provision of energy and utilities to its facilities (including the Delta Facility), and potential impacts of major incidents or catastrophic events at its facilities (including the Delta Facility), such as fires, explosions, earthquakes or storms.

Limited Operating History and No Assurance of Profitability

The Company is subject to all of the business risks and uncertainties associated with any early stage enterprise, including under-capitalization, cash shortages, and limitation with respect to personnel, financial and other resources, and lack of revenues. The Company has incurred operating losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future.

In addition, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Unfavourable Publicity or Consumer Perception

The cannabis and hemp industries are highly dependent upon broad social acceptance and consumer perception regarding the safety, efficacy and quality of the cannabis and hemp products, as well as consumer views concerning regulatory compliance. Consumer perception of our products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention, market rumors or speculation and other publicity regarding the consumption or effects thereof of cannabis and hemp products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis or hemp markets or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the cannabis industry, and therefore demand for our products and services, our business, financial condition, results of operations and cash flows.

Additional Financing

There is no guarantee that the Company will be able to execute on its strategy. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business strategy or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Uninsured or Uninsurable Risk

The Company may be subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Key Personnel

The Company's success will depend on its directors' and officers' ability to develop and execute on the Company's business strategies and manage its ongoing operations, and on the Company's ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants now that production and selling operations have begun. The loss of any key personnel or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense, and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Strategic Alliances

The Company currently has, and may in the future enter into strategic alliances with third parties that the Company believes will complement or augment its existing business. The Company's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance our business, and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Company's existing strategic alliances will continue to achieve, the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

New Product Development

The Canadian cannabis and hemp industries are in their early stages of development and it is likely that the Company, and its competitors, will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Company may need to expend significant amounts of capital in order to successfully develop and generate revenues from new products introduced by the Company. As well, the Company may be required to obtain additional regulatory approvals from Health Canada and any other applicable regulatory authority, which may take significant amounts of time.

Cannabis 2.0 regulations, which came into effect on October 17, 2019 in Canada, permit License Holders to develop new cannabis form factors, including CBD and THC-infused drinks, edibles and non-flower products, such as vapes. Agra has and will continue to develop strategic partnerships to participate in these new product market opportunities with partners who can provide complementary product development and support capabilities.

The Company may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on the Company's business, financial condition and results of operations.

Litigation

The Company may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While the Company has insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact the Company's business, operating results or financial condition.

Agricultural Operations

Since it is expected that the Company's business will revolve mainly around the growth of cannabis and hemp, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. Although the Company expects to grow its product in a climate controlled, monitored, indoor location, there is no guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on the Company's ability to produce cannabis and hemp.

Transportation Disruptions

The Company will depend on fast, cost-effective and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier service used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Fluctuating Prices of Raw Materials

The Company's revenues will be derived from the production, sale and distribution of cannabis, cannabis derived products and hemp derived products. The price of production, sale and distribution of marijuana will fluctuate widely due to how young the industry is and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new production and distribution developments and improved production and distribution methods. The effect of these factors on the price of product produced by the Company and, therefore, the economic viability of any of the Company's business, cannot accurately be predicted.

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

Growth Expansion Efforts

There is no guarantee that the Company's intentions to acquire and/or construct additional cannabis, hemp and or cannabis 2.0 production and manufacturing facilities in Canada and in other jurisdictions with federal legal cannabis markets and to expand the Company's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licenses and permits and there is no guarantee that all required approvals, licenses and permits will be obtained in a timely fashion or at all. There is also no guarantee that the Company will be able to complete any of the foregoing activities as anticipated or at all. The failure of the Company to successfully execute its expansion strategy (including receiving required regulatory approvals and permits) could adversely affect the Company's business, financial condition and results of operations and may result in the Company failing to meet anticipated or future demand for its cannabis-based pharmaceutical products, when and if it arises. Moreover, actual costs for construction may exceed the Company's budgets. As a result of construction delays, cost overruns, changes in market circumstances or other factors, the Company may not be able to achieve the intended economic benefits from the construction of the new facilities, which in turn may materially and adversely affect its business, prospects, financial condition and results of operations.

Execution of Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) the Company may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets. The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Market Risk for Securities

The market price for the Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, Share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Competition

Agra continues to face intense competition from other companies, some of which have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

As of the date of this AIF, Health Canada has issued approximately 875 active Licenses. Health Canada Licenses are limited to individual properties. As such, if a licensed producer seeks to commence production at a new site, it must apply to Health Canada for a new license. As the number of cannabis, cannabis derived and hemp derived users in Canada increases, the demand for such products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To be competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. Competition is also based on product innovation, product quality, price, brand recognition and loyalty, effectiveness of marketing and promotional activity, the ability to identify and satisfy consumer preferences, as well as convenience and service. The Company may not have sufficient resources to maintain research and development, marketing, sales, client support, product innovation, product quality, price, brand recognition and loyalty, marketing and promotional ability and the ability to satisfy consumer preference on a competitive basis which could materially affect the business, financial condition and results of operations of the Company.

Agra expects more countries to pass regulation allowing for the use of medical and/or recreational cannabis. While expansion of the global cannabis market will provide more opportunities to grow our international business, Agra also expect to experience increased global competition.

Global Economy

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, this could have an adverse impact on the Company's operations and the trading price of the Company's shares on the CSE.

DIVIDENDS AND DISTRIBUTIONS

Although the board of directors of the Company (is permitted to declare dividends on the Shares from time to time out of available funds, it is the current policy of the board of directors to reinvest any profits in the development and advancement of the Company's business. No dividends have been declared on the Shares in the three most recently completed financial years.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized capital of the Company consists of an unlimited number of Shares.

As of the date of this AIF, the Company has the following Shares, Warrants and Options outstanding:

Type of Securities	Number of Securities	Exercise Price ($)	Expiry Date
Shares	34,667,618	N/A	N/A
Warrants	291,239	11.25	August 21, 2023
Warrants	44,444	45.00	January 28, 2023
Warrants	1,777,778	15.00	April 30, 2025
Warrants	138,280	15.00	May 25, 2025
Warrants	77,413	15.00	July 8, 2025
Options	8,333	21.30	October 31, 2023
Options	27,267	69.00	May 17, 2024
Options	14,667	69.00	May 21, 2024
Options	6,667	58.50	May 30, 2024
Options	19,000	46.50	August 1, 2024
Options	633,333	11.25	April 30, 2025

As of July 5, 2022, the Company has 34,667,618 common shares issued and outstanding**.**

As at March 31, 2022, the Company had the following Debentures outstanding:

Principal Amount ($)	Interest (S)	Total Principal and Interest ($)	Maturity Date
19,337,494.22	109,315,07	19,446,809.22	March 12, 2023(1)

(1) On April 5, 2022, the maturity date of the Debentures was extended for an additional 12 months, from March 12, 2022 to March 12, 2023.

Shares

Holders of Shares are entitled to receive notice of any meetings of shareholders of Agra and to attend and cast one vote per Share at all such meetings. Holders of Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the Company's board of directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of Agra are entitled to receive on a pro-rata basis the net assets of Agra after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of Shares with respect to dividends or liquidation.

No pre-emptive, redemption, sinking fund or conversion rights are attached to the Shares, and the Shares, when fully paid, will not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of the Shares.

Options

On June 27, 2022, the board approved the adoption of a 10% rolling stock option plan (the "Stock Option Plan") which was approved by the shareholders of the Company at its annual general and special meeting held on November 24, 2017, reapproved by the shareholders at its annual general meeting on June 28, 2019. The Stock Option Plan is a 10% maximum rolling plan. Options granted under the Stock Option Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the Option. As of the date hereof there were 709,267 Options outstanding under the Stock Option Plan.

A copy of the Stock Option Plan is included as Schedule "B" to this AIF.

Debentures

10.00% Senior Unsecured Convertible Debentures

On November 25, 2019, the Company closed a non-brokered private placement offering of senior unsecured convertible Debentures. The Debentures bear interest at a rate of 10% per annum from the date of issuance, payable semi-annually, with a maturity date of March 12, 2021. At issuance, the Debentures were convertible at the holder's option into: (i) that number of Shares calculated on the basis of the aggregate principal amount of the Debentures being converted divided by the conversion price of $0.30 per Share; and (ii) a cash payment equal to the additional interest amount that such holder would have received if it had held the Debenture from the date of conversion to the maturity date.

On February 11, 2021, the Company and the holders of the Debentures agreed to amend the terms of the Debentures to extend the maturity date from March 12, 2021 to March 12, 2022 in consideration for the conversion price of the Debentures being reduced to $0.05. Additionally, the Debentures were amended to pay interest at the rate of 20% per annum for the period from July 1, 2020 to December 31, 2020. For all periods subsequent to December 31, 2020, the amended Debentures pay interest at 10% per annum, calculated and payable semi-annually.

On April 5, 2022, the Company and the holders of the Debentures entered into an agreement to further amend the terms of the Debentures to extend the maturity date for an additional twelve months to March 12, 2023. In consideration for the extension of the maturity date, the conversion price of the Debentures was amended to a price per share equal to the VWAP of the Company's Shares on the CSE for the five trading days prior to the applicable conversion date, subject to a minimum issue price of $0.05.

Constraints

The Company does not have any constraints imposed on the ownership of its securities to ensure that the Company has a required level of Canadian ownership.

Ratings

The Company does not have any ratings for its securities from a rating organization.

MARKET FOR SECURITIES

Trading Price and Volume

The Shares are listed for trading on the CSE under the current trading symbol AGRA. The following chart sets out the high and low trading prices, and volume of shares traded, for the period January 1, 2021 to July 6, 2022 for the Company:

Month / Year	High $	Low $	Volume
January 2021	7.125	3.75	97,353,059
February 2021	14.25	5.25	174,042,186
March 2021	8.25	5.25	100,769,665
April 2021	6.25	3.75	51,552,501
May 2021	3.75	3.00	56,019,089
June 2021	3.75	2.25	69,806,590
July 2021	3.75	2.25	83,759,445
August 2021	3.75	1.81	30,186,685
September 2021	1.90	0.92	711,407
October 2021	1.18	0.89	381,230
November 2021	1.01	0.60	581,002
December 2021	0.65	0.49	570,943
January 2022	0.57	0.45	197,445
February 2022	0.78	0.41	568,176
March 2022	0.455	0.38	613,169
April 2022	0.47	0.085	6,290,601
May 2022	0.12	0.03	17,688,174
June 2022	0.11	0.055	17,747,279
July 1 – July 6, 2022	0.06	0.055	132,089

Prior Sales

During the year ended December 31, 2021, the Company did not issue any securities that are convertible or exchangeable into Common Shares.

During the year ended December 31, 2021, the Company issued the following Common Shares:

Date of Issue	Number	Price
February 11, 2021	1,120,422	$0.05

February 23, 2021	1,420,018	$0.05
April 20, 2021	12,272,000	$0.05
May 26, 2021	7,645,741	$0.05
July 19, 2021	803,783	$0.05
October 21, 2021	393,376	$0.05
November 21, 2021	8,744	$0.84

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this AIF, the Company's has nil issued and outstanding Shares in escrow or subject to a contractual restriction on transfer subject to various transfer restrictions.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth for each of the directors and officers of the Company, their name, province/state and country of residence; their principal occupations or employment; a brief biographical description; the date on which they became directors of the Company; their independence; their memberships with the applicable committees of the Company as of the date of this AIF.

Name of Director / Officer	Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1)	Number of Options Held (1)
David Grand		
Ontario, Canada Chief Executive OfficerSince July 1, 2022	Nil	Nil
	David was the founder and former CEO of Muskoka Grown Limited from 2013 to 2020; the Chief Financial Director of GenCanna from 2014 to 2015; the President & Managing Director of the Private Client Division at Hampton Securities Limited from 2012-2014; and the Head of Retail Sales at Octagon Capital Corporation from 2004 to 2010. Mr. Grand is a strategist with strong business acumen and an entrepreneurial mindset. He has an excellent work ethic with the ability to take an idea from concept to execution, and is comfortable making key business decisions. David has a strong ability to connect with people, with a proven track record of fundraising, as well as being a mentor to employees.	
Elise Coppens		
Ontario, Canada Chairman & Director Since March 8, 2021	Nil	Nil
	During her career in the Canadian cannabis industry, Ms. Coppens' roles have included but are not limited to serving as President of Bloomera, Marketing Director for Aurora Cannabis and the Director of International Sales for Ample Organics.	
Fiona Fitzmaurice		
Ontario, Canada CFO and Director Since May 4, 2021 and October 22, 2021, respectivley	Nil	Nil
	Ms. Fitzmaurice is a Chartered Professional Accountant with over 14 years of experience in accounting and financial control, serving both private companies and public issuers throughout her career. Ms. Fitzmaurice has previously been appointed as CFO of companies that include but are not	

Name of Director / Officer	Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1)	Number of Options Held (1)
	limited to MacDonald Mines Exploration Ltd., Pasofino Gold and Mojave Jane Brands. Accordingly, Ms. Fitzmaurice has extensive experience with corporate audits, prospectus filings, private placements, financings and corporate acquisitions. As the foundation of her knowledge base, Ms. Fitzmaurice holds a bachelor's degree in accounting and finance from Athlone Institute of Technology in Athlone, Ireland.	
Anthony Carnevale		
Ontario, Canada Director Since June 27, 2022	Nil	Nil
	Anthony Carnevale is an established cannabis industry professional and entrepreneur. Mr. Carnevale began his career in cannabis as the General Manager of one of Canada's oldest cannabis lounges, Vapor Central. He has guest lectured on cannabis hospitality and tourism at George Brown College since 2019 and is a founding member of the Canadian Cannabis Tourism Alliance. During the COVID pandemic, he founded Canada's first mobile cannabis accessory cleaning company, Clean Piece. The company focuses on eco-friendly cleaning techniques and has cleaned more than 10,000 bongs, pipes, and vaporizers since its inception. Most recently, he has taken on a marketing leadership role for a Canadian vaporizer hardware distributor named Calyx Labs. Anthony is highly involved in Canada's cannabis community and is extremely passionate about helping legacy cannabis professionals transition into the legal industry.	
Brian O'Neill		
British Columbia, Canada Director Since May 27, 2019	123	1,667
	Principal Occupation for the Past Five Years: Mr. O'Neill is a Securities lawyer since 2009 and a partner at O'Neill Law LLP. He is legal counsel for various start-up companies and companies listed on the TSXV, CSE and U.S. over-the-counter markets.	

Notes:

(1) The number of Shares beneficially owned, controlled or directed, directly or indirectly, by the above directors and officers is based on information furnished by the directors and officers themselves and from the insider reports available at www.sedi.ca.

As of the date hereof, the directors and senior officers of Agra as a group beneficially own, directly or indirectly, or over which control or direction is exercised, 123 of the issued and outstanding Shares, representing approximately 0.049% of the total votes attaching to all of the outstanding voting securities of Agra on a non-diluted basis (or 123 Shares representing 0.048% of the total outstanding voting securities of Agra on a partially diluted basis, assuming exercise of the Options held by the directors and senior officers).

Board Committees

The board of directors has one standing committee which is the Audit Committee.

The Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The current members of the Audit Committee are Elise Coppens (Chair), Anthony Carnevale and Brian O'Neill. All members of the Audit Committee are considered to be financially literate. Anthony Carnevale and Brian O'Neill are not executive officers of the Company and, therefore, are independent members of the Audit Committee. Elise Coppens is an executive officer and director of the Company and is not considered to be an independent member of the Audit Committee. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

Elise Coppens (chair) has an extensive career in the Canadian cannabis industry. Ms. Coppens' roles have included but are not limited to serving as President of Bloomera, marketing director for Aurora Cannabis and the Director of international Sales for Ample Organics.

Anthony Carnevale is an established cannabis industry professional and entrepreneur. Mr. Carnevale began his career in cannabis as the General Manager of one of Canada's oldest cannabis lounges, Vapor Central. He has guest lectured on cannabis hospitality and tourism at George Brown College since 2019 and is a founding member of the Canadian Cannabis Tourism Alliance. During the COVID pandemic, he founded Canada's first mobile cannabis accessory cleaning company, Clean Piece. The company focuses on eco-friendly cleaning techniques and has cleaned more than 10,000 bongs, pipes, and vaporizers since its inception. Most recently, he has taken on a marketing leadership role for a Canadian vaporizer hardware distributor named Calyx Labs. Anthony is highly involved in Canada's cannabis community and is extremely passionate about helping legacy cannabis professionals transition into the legal industry.

Each member of the Company's present and proposed Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor.

Reliance on Certain Exemptions

The Company's auditors, Bakertilly, have not provided any material non-audit services.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by DMCL for the year ended December 31, 2020 and Bakertilly for the year ended December 31, 2021, to ensure auditor independence. Bakertilly was appointed as successor auditor of the Company on September 15, 2021.

Fees incurred are outlined in the following tables:

Bakertilly

Nature of Services	Fees paid to Auditor in YE December 31, 2021(5)	Fees paid to Auditor in YE December 31, 2020
Audit Fees(1)	$Nil	$Nil
Audit-Related Fees(2)	$Nil	$Nil
Tax Fees(3)	$Nil	$Nil
All other Fees(4)	$Nil	$Nil
TOTAL	$Nil	$Nil

DMCL

Nature of Services	Fees paid to Auditor in YE December 31, 2021(5)	Fees paid to Auditor in YE December 31, 2020
Audit Fees(1)	$191,306	$60,000
Audit-Related Fees(2)	$28,606	$35,000
Tax Fees(3)	$30,975	$17,850
All other Fees(4)	$Nil	$Nil
TOTAL	$250,887	$112,850

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

(5) The fees paid in 2021 were for the December 31, 2020 audit which was performed by DMCL and billed in 2021.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsection (a), "order" means: (i) a cease trade order, (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, which was in effect for more than 30 consecutive days.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;

(b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Company's Management Discussion & Analysis for the fiscal year ended December 31, 2021.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company may become party to litigation or other adversary proceedings, with or without merit, in a number of jurisdictions. The cost of defending such claims may take away from management time and effort and if determined adversely to Agra, may have a material and adverse effect on its cash flows, results of operation and financial condition. As of the date of this AIF the Company is not party to any litigation or other adversary proceedings, except for the following: On September 18, 2021, the Company announced that, on Sept. 2, 2021, the company was served with a petition in the B.C. Supreme Court, seeking an order granting the petitioner leave of the court to commence a civil claim in the name and on behalf of the company against certain proposed defendants. The Company takes the allegations contained within the claim seriously and has engaged legal counsel to investigate the alleged matters and to respond to the proposed petition.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, in the three most recently completed financial years or the current financial year, no director, officer, insider or associate or affiliate of any director, officer or insider of the Company had or is expected to have any material interest, direct or indirect in any transactions with the Company that materially affected or would materially affect the Company. All related party transactions are detailed in the Company's management's discussion & analysis for the fiscal year ended December 31, 2021.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Endeavor Trust Corporation located at 777 Hornby Street, Suite 702, Vancouver, British Columbia V6Z 1S2.

MATERIAL CONTRACTS

The Company is not a party to any material contracts entered into within the most recently completed financial year, or before the most recently completed financial year, but that are still in effect, other than those contracts entered into in the ordinary course of business or disclosed under the *General Development of the Business.*

INTERESTS OF EXPERTS

BakertTilly of Suite 400 Burrard St, Vancouver, British Columbia V6C 3B7, has performed the audit in respect of the annual financial statements of the Company for the financial year ended December 31, 2021. Bakertilly is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Financial information about the Company is contained in its comparative financial statements and management's discussion & analysis for the fiscal years ended December 31, 2021 and 2022, and additional information relating to the Company is available on SEDAR, under the Company's profile, at www.sedar.com.

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the 2021 Management Information Circular prepared in respect of the Company's most recent annual general meeting to be held on June 27, 2022.

SCHEDULE "A"

Audit Committee Charter

AGRA VENTURES LTD.
(the "**Company**")

AUDIT COMMITTEE CHARTER

1. Overall Purpose / Objectives

The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

2. Authority

The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, to set and pay the compensation for any advisors employed by the Audit Committee, to ensure the attendance of Company officers at meetings as appropriate and to communicate directly with the Company's external auditors.

3. Organization

Membership

The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will be nominated by the Audit Committee from the members of the Audit Committee which are not officers or employees of the Company, or a company associated or affiliated with the Company, from time to time.

A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Company secretary, or such person as nominated by the Chairman.

Attendance at Meetings

The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

The proceedings of all meetings will be minuted.

4. Roles and Responsibilities

The Audit Committee will:

1. Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

2. Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

3. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

4. Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.

5. Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards.

6. Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

7. Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

8. Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

9. Meet with management and the external auditors to review the annual financial statements and the results of the audit.

10. Review the interim financial statements and disclosures, and obtain explanations from management on whether:

    a. actual financial results for the interim period varied significantly from budgeted or projected results;

    b. accounting policies consistent with International Financial Reporting Standards have been consistently applied;

    c. there are any actual or proposed changes in accounting or financial reporting practices;

    d. there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure; and

    e. review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

11. Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Board authorizes the Chairman of the Audit Committee to pre-approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.

12. Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.

13. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

14. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

15. Establish a procedure for:

    a. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

    b. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.

16. Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
17. Endeavor to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
18. Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
19. Perform other functions as requested by the full Board.
20. If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
21. Review and recommend updates to the charter; receive approval of changes from the Board.

Schedule "B"

Stock Option Plan

Agra Ventures Ltd.

~~AgraFlora Organics International Inc.~~

~~PUF VENTURES INC.~~

(the "**Company**")

STOCK OPTION PLAN

Dated for Reference July 7, 2016

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

Definitions

1.2 In this Plan:

(a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;

(b) **Associate** has the meaning set out in the Securities Act;

(c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);

(d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;

(e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

(i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,

(ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

(f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or, NEX, as the case may be);

(g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:

(i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and

(iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;

(i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) **Directors** means the directors of the Company as may be elected from time to time;

(k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

(m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

(n) **Effective Date** for an Option means the date of grant thereof by the Board;

(o) **Employee** means:

(i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

(p) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

(q) **Expiry Date** means the day on which an Option lapses as specified in the Stock Option Agreement therefor or in accordance with the terms of this Plan;

(r) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;

(s) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(t) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;

(u) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;

(v) **NEX Issuer** means a company listed on NEX;

(w) **NEX Policies** means the rules and policies of NEX as amended from time to time;

(x) **Officer** means a Board appointed officer of the Company;

(y) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;

(z) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

(aa) **Optionee** means the recipient of an Option hereunder;

(bb) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;

(cc) **Participant** means a Service Provider that becomes an Optionee;

(dd) **Person** includes a company, any unincorporated entity, or an individual;

(ee) **Plan** means this Stock Option Plan, the terms of which are set out herein or as may be amended;

(ff) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;

(gg) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;

(hh) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;

(ii) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(jj) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;

(kk) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

(ll) **Stock Option Agreement** means the agreement evidencing the grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;

(mm) **Take Over Bid** means a take over bid as defined in subsection 92(1) of the *Securities Act* (British Columbia) or the analogous provisions of securities legislation applicable to the Company;

(nn) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and

(oo) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2
STOCK OPTION PLAN

Establishment of Stock Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by a Stock Option Agreement in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of a Stock Option Agreement made hereunder.

Limitations on Issue

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

(a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;

(b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and

(c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

(a) allot Common Shares for issuance in connection with the exercise of Options;

(b) grant Options hereunder;

(c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company’s tier classification thereunder; and

(d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

(a) it may make amendments which are of a typographical, grammatical or clerical nature only;

(b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;

(c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;

(d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;

(e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and

(f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

(a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:

(i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;

(ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,

(iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or

(b) any reduction in the Exercise Price of an Option previously granted to an Insider.

Options Granted Under the Company's Previous Stock Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3
TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

(a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

(b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding §3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

(a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or

(b) such longer vesting period as the Board may determine.

Effect of Take Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Stock Option Agreement, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

Extension of Options Expiring During Blackout Period

3.9 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.9 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.10 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

(a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

(b) an Option granted to (i) directors or officers will expire 90 days and (ii) to all others including, but not limited to, employees and consultants, will expire 30 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and

(c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Additionally, Consultants who are granted options need to continue to:

(d) provide on an ongoing basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;

(e) provide the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

(f) in the reasonable opinion of the Company, spend or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and

(g) have a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company.

Non Assignable

3.11 Subject to §3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

(a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.12;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE 4
COMMITMENT AND EXERCISE PROCEDURES

Stock Option Agreement

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee a Stock Option Agreement detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering

(a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and

(b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired.

Tax Withholding and Procedures

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in 4.2 and elsewhere in this Plan, and as a condition of exercise:

(a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or

(b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

Delivery of Optioned Shares and Hold Periods

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture at the time of grant, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month TSX Venture hold period commencing the date of the Stock Option Agreement.

ARTICLE 5
GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Continuation of Plan

5.4 The Plan will become effective from and after June 23, 2011, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to June 23, 2011.

Amendment of the Plan

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

SCHEDULE A

PUF VENTURES INC.

STOCK OPTION AGREEMENT

PUF Ventures Inc. (the "**Company**") has granted to ______________ (the "**Optionee**"), an option to acquire common shares (the "**Options**") of the Company, subject to the terms and conditions of the Company's stock option plan (the "**Plan**") established by the Company or any successor plan thereto, as amended from time to time in accordance with its terms, subject to regulatory approval, which are deemed to be incorporated in this stock option agreement (the "**Option Agreement**"), and to the following specific provisions:

Option Agreement and Grant Date:	______________________________
Position with Company:	______________________________
Number of Options:	______________________________
Exercise Price:	______________________________
Expiry Date:	______________________________
Option Vesting Schedule:	The Options shall vest [immediately]

The Company and the Optionee represent that the Optionee, under the terms and conditions of the Plan, is a bona fide Service Provider (as defined in the Plan), entitled to receive Options pursuant to applicable regulatory policies.

The Optionee may exercise the Options within 90 days (if you are a director or officer) or 30 days (if you are an employee or consultant) following cessation of the Optionee's position with the Company, or such other time, not to exceed one year, as shall be determined by the board of directors of the Company (the "**Board**") as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company.

For directors, officers and employees of the Company who are resident in Canada, by signing this Option Agreement, the undersigned Optionee also acknowledges that, as a result of certain policy changes in Canada's Federal Budget introduced March 4, 2010, effective January 1, 2011, upon the exercise of all or any portion of the Option, the Optionee will be required to provide the Company with a payment equal to the income taxes due on the taxable employment benefit to be received by the Optionee through such exercise (the "**Tax Withholding Amount**").

For independent consultants of the Company, any taxable benefit that arises from the exercise of the Option is solely the responsibility of the consultant to report any such tax benefit on his or her income tax return, if applicable, in his jurisdiction of residence.

Acknowledgement – Personal Information

The information set out in this Option Agreement about the undersigned Optionee will be used by the Company for making certain filings with applicable regulatory authorities. The Optionee acknowledges and consents to the collection and use of the Personal Information contained in this Option Agreement by the Company for the above purposes or as otherwise required by applicable regulatory authorities from time to time in accordance with their regulations. If you are in doubt about the above applicable requirements, please contact the Company.

Acknowledged and agreed by the Optionee:

____
[name of Optionee]

____
Address

____
Address (continued)

____
Telephone Number

____
Email Address

PUF VENTURES INC.

____
Authorized Signatory

PUF VENTURES INC.
(the "**Company**")

<u>STOCK OPTION EXERCISE NOTICE</u>

TO: PUF Ventures Inc.

The undersigned hereby gives notice of exercise of Options as detailed below and encloses a cheque or bank draft, payable to the Company, in the designated amount representing payment in full for those shares.

Option Agreement and Grant Date: ______________________________

Number of Options Exercised: ______________________________

Position with Company: ______________________________

Exercise Price: ______________________________

Option Exercise Amount: $ ______________________________

Plus Tax Withholding Amount:
[if applicable] $ ______________________________

TOTAL: $ ______________________________

Balance of number of Options remaining exercisable until ♦[*insert option expiry date*]: ______________________________

DATED ______________________________

______________________________ ______________________________
Print name of Optionee Signature of Optionee

______________________________ ______________________________
Address (for registration of shares) Delivery address (if different from share registration address)

______________________________ ______________________________

______________________________ ______________________________
Telephone Number

____
Email Address