

UNDERWRITING AGREEMENT

March 4, 2021

1933 Industries Inc.
1055 West Hastings Street, Suite 300
Vancouver, British Columbia, Canada
V6E 2E9

Attention: Paul Rosen, Chief Executive Officer and Chairman

Dear Sir:

Canaccord Genuity Corp. (the “**Underwriter**”), as sole underwriter and sole bookrunner, hereby agrees to purchase from 1933 Industries Inc. (the “**Corporation**”) (or to arrange for Purchasers (as defined herein) to purchase from the Corporation 31,820,000 units of the Corporation (the “**Offered Units**”), at a price of \$0.11 per Offered Unit (the “**Purchase Price**”) on a “bought deal” private placement basis, for aggregate gross proceeds of \$3,500,200, subject to the terms and conditions set out below. In addition, the Corporation hereby grants the Underwriter an option (the “**Underwriter’s Option**”) to increase the size of the Offering by up to an additional 13,225,929 units (the “**Additional Units**”) for additional gross proceeds of up to \$1,454,852. The Underwriter’s Option is exercisable, in whole or in part, at any time prior to the Closing Date (as hereinafter defined). The Offered Units and the Additional Units are collectively referred to herein as the “**Units**” and each, individually, a “**Unit**”. The offer and sale of the Offered Units and the Additional Units, if any, are collectively referred to as the “**Offering**”.

Upon and subject to the terms and conditions set forth herein, the Corporation hereby appoints the Underwriter, and the Underwriter hereby agrees to act as underwriter to the Corporation to offer to purchase the Units, for resale in the Designated Provinces (as hereinafter defined) and those other jurisdictions outside Canada consented to by the Corporation where the Units may be lawfully sold pursuant to the terms and conditions hereof (the “**Selling Jurisdictions**”). Notwithstanding the foregoing, the Corporation has included certain Purchasers (as hereinafter defined) as identified by the Corporation on a president’s list (the “**President’s List**”) who will settle directly with the Corporation (the “**Direct Settlers**”). The parties hereto acknowledge that the Underwriter shall not be required to conduct a suitability review in respect of the sale of any Units issued to Direct Settlers and the indemnity set out in Section 10 of this Agreement shall apply in respect of such sales.

Each Unit shall be comprised of one common share of the Corporation (each, a “**Share**”) and one Share purchase warrant of the Corporation (each, a “**Warrant**”). Each Warrant will entitle the holder to purchase one Share (a “**Warrant Share**”) at an exercise price of \$0.16 per Warrant Share at any time before 5:00 p.m. (Toronto time) on the date that is 24 months following the Closing Date (the “**Expiry Time**”), provided that the Warrants will be subject to the right of the Corporation to accelerate the expiry date of the Warrants if, at any time following the date that is four months and one day following the Closing Date, the daily volume weighted average trading price of the Shares on the Canadian Securities Exchange (the “**CSE**”) is greater than \$0.30 per Share (subject to adjustment for subdivisions, consolidations and similar events) for a period of 10 consecutive trading days (the “**Acceleration Right**”). The Acceleration Right will be exercisable by the Corporation within one trading day following such 10 day period and shall be exercised by notice in writing to the holders of Warrants and the Underwriter, whereupon the Warrants shall expire on the date that is 30 days immediately following the giving of such notice. The Corporation will issue a press release announcing the reduced warrant term concurrently with the giving of such notice. The

Warrants shall be duly and validly created and issued pursuant to, and governed by, a warrant indenture dated as of the Closing Date (the “**Warrant Indenture**”) to be entered into between Odyssey Trust Company (the “**Warrant Agent**”), in its capacity as warrant agent thereunder, and the Corporation. The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture. In the case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

The Underwriter shall be entitled to appoint a soliciting dealer group consisting of other registered dealers (each, a “**Selling Firm**”) as its agents to assist in the Offering. Any fee payable to such dealer(s) shall be for the account of the Underwriter and shall be negotiated between the Underwriter and the Selling Firm(s).

In consideration of the services to be rendered by the Underwriter hereunder and all other matters in connection with the offer and issue and sale of the Units, the Corporation shall, subject to the provisions hereof, pay to the Underwriter: (a) a commission (the “**Commission**”) equal to 7.0% of the aggregate gross proceeds of the Offering (excluding proceeds derived from the sale of Units to any Direct Settlers) payable in cash or in Units, or any combination of cash and Units, at the option of the Underwriter; and (b) a cash fee of \$56,578 for advisory services provided to the Corporation in connection with the Offering (the “**Advisory Fee**”). The Commission and the Advisory Fee will be payable by the Corporation on the Closing Date. The Advisory Fee is, and the Commission may be, payable in cash and each may, at the option of the Underwriter, be made by way of deduction from the aggregate gross proceeds of the Offering on the Closing Date derived from the sale of Units to Purchasers who are not Direct Settlers and shall be fully earned by the Underwriter at that time.

As additional compensation for the services to be rendered by the Underwriter hereunder, the Corporation will issue to the Underwriter (or any Selling Firms(s) engaged by the Underwriter in amounts as determined by the Underwriter): (a) that number of broker warrants (the “**Broker Warrants**”) as is equal to 7.0% of the number of Units sold under the Offering (excluding Units sold to any Direct Settlers); and (b) 514,346 advisory warrants (the “**Advisory Warrants**”). Each Broker Warrant and Advisory Warrant (together, the “**Compensation Warrants**”) will be exercisable to acquire one unit (each, a “**Compensation Unit**”), consisting of one Share (each, a “**Compensation Unit Share**”) and one Warrant (each, a “**Compensation Unit Warrant**”) at an exercise price equal to the Purchase Price until 5:00 p.m. (Toronto time) on the date that is 24 months following the Closing Date, provided that the Compensation Unit Warrants shall be subject to the Acceleration Right. Each Compensation Unit Warrant shall be exercisable to purchase one Share (each, a “**Compensation Unit Warrant Share**”) on the same terms and conditions applicable to the Warrants.

The parties acknowledge and agree that none of the Units, the Shares and Warrants comprising the Units, Warrant Shares, Broker Warrants, Advisory Warrants, Compensation Units, Compensation Unit Shares, Compensation Unit Warrants or Compensation Unit Warrant Shares (collectively, the “**Unit Securities**”) have been or will be registered under the U.S. Securities Act (as hereinafter defined) or under the Securities Laws (as hereinafter defined) of any state of the United States.

DEFINITIONS

In this Agreement, in addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings:

“**10% Convertible Debentures**” means, collectively, the 10% senior unsecured convertible debentures of the Corporation in the aggregate principal amount of \$17,250,000 issued in connection with the prior

offering of convertible debentures units of the Corporation pursuant to an agency agreement among the Corporation, the Underwriter and Beacon Securities Limited dated August 30, 2018, of which the principal amount of \$9,568,000 remains outstanding as of the Closing Date;

“**1933 Management**” means 1933 Management Services Inc., a company existing under Chapter 78 of the Nevada Revised Statutes;

“**Acceleration Right**” shall have the meaning ascribed to it above;

“**Additional Units**” shall have the meaning ascribed to it above;

“**Advisory Fee**” shall have the meaning ascribed to it above;

“**Advisory Warrants**” shall have the meaning ascribed to it above;

“**Advisory Warrant Certificate**” means the certificate representing the Advisory Warrants;

“**affiliate**”, “**associate**”, “**distribution**”, “**misrepresentation**”, “**material fact**” and “**material change**”, shall have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

“**Agreement**” means this agreement between the Underwriter and the Corporation dated as of the date hereof, including all schedules hereto, as amended or supplemented from time to time;

“**Alternative Medicine**” means Alternative Medicine Association LC, a company organized under Chapter 76 of the Nevada Revised Statutes;

“**AMA Production**” means AMA Production LLC, a company organized under Chapter 76 of the Nevada Revised Statutes;

“**Anti-Terrorism Laws**” shall have the meaning ascribed thereto in subsection 3(x);

“**Assets and Properties**” with respect to any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, tangible or intangible, choate or inchoate, absolute, accrued, contingent, fixed or otherwise, and, in each case, wherever situated), including the goodwill related thereto, operated, owned or leased by or in the possession of such Person;

“**Authorizations**” shall have the meaning ascribed thereto in Section 3(jj) of this Agreement;

“**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;

“**Broker Warrant**” shall have the meaning ascribed to it above;

“**Broker Warrant Certificate**” means the certificate representing the Broker Warrants;

“**Business Day**” means a day which is not a Saturday, Sunday or any other day on which the principal charter banks located in Vancouver, British Columbia or Toronto, Ontario are not open for business;

“**CCB**” shall have the meaning ascribed thereto in Section 3(kk) of this Agreement;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Claim**” shall have the meaning ascribed thereto in Section 10 of this Agreement;

“**Closing**” means the issuance, delivery and sale of the Units on the Closing Date in accordance with the terms and conditions of this Agreement;

“**Closing Date**” means March 4, 2021, or such other date on which the Closing shall occur, as agreed to by the Underwriter and the Corporation;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as agreed to between the Underwriter and the Corporation;

“**Commission**” shall have the meaning ascribed to it above;

“**Compensation Unit**” shall have the meaning ascribed to it above;

“**Compensation Unit Share**” shall have the meaning ascribed to it above;

“**Compensation Unit Warrant**” shall have the meaning ascribed to it above;

“**Compensation Unit Warrant Certificate**” means the certificate representing the Compensation Unit Warrants;

“**Compensation Unit Warrant Share**” shall have the meaning ascribed to it above;

“**Compensation Warrants**” shall have the meaning ascribed to it above;

“**Compensation Warrant Certificates**” means, collectively, the Broker Warrant Certificate and the Advisory Warrant Certificate;

“**Contracts**” means all agreements, contracts or commitments of any nature, written or oral, including, for greater certainty and without limitation, leases, loan documents, security documents, indentures, trust deeds, mortgages and notes and, in respect of the Corporation and the Subsidiaries;

“**Corporation**” means 1933 Industries Inc., a corporation existing under the *Business Corporations Act* (British Columbia);

“**Corporation’s Auditors**” means Davidson & Company LLP or such other firm of chartered accountants as the Corporation may have appointed or may from time to time appoint as auditors of the Corporation;

“**COVID-19**” means the coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);

“**CSE**” shall have the meaning ascribed to it above;

“**Designated Provinces**” means, collectively, each of the provinces of Canada;

“**Direct Settler**” shall have the meaning ascribed to it above;

“**Disclosure Documents**” means, collectively, all of the documentation which has been disclosed by the Corporation to the public or filed by or on behalf of the Corporation with the relevant Securities Regulators

pursuant to applicable Securities Laws since July 1, 2018, and which are publicly available on SEDAR or on the Corporation's profile on the CSE's website;

"Engagement Letter" means the letter agreement dated as of February 10, 2021 between the Corporation and the Underwriter relating to the Offering;

"Environmental Laws" means all Laws and agreements with any Governmental Authority and all other statutory requirements relating to public health and safety, noise control, pollution or the protection of the environment or to the generation, production, installation, use, storage, treatment, transportation, release or threatened release of Hazardous Materials, including civil responsibility for acts or omissions with respect to the environment, and all Authorizations issued pursuant to such Law, agreements or other statutory requirements;

"Environmental Permits" includes all orders, permits, certificates, approvals, consents, registrations and licenses issued by any authority of competent jurisdiction under any Environmental Laws;

"Executive Order" shall have the meaning ascribed thereto in subsection 3(w);

"Expiry Time" shall have the meaning ascribed to it above;

"Financial Statements" shall have the meaning ascribed to it in subsection 3(bb);

"FN Pharma" means FN Pharmaceuticals, a company organized under Chapter 78 of the Nevada Revised Statutes;

"Foreign Issuer" means "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;

"Governmental Authority" means any governmental authority and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, which, for greater certainty, shall include the CCB;

"Hazardous Materials" means any contaminant, pollutant, subject waste, hazardous waste, deleterious substance, industrial waste, toxic matter or any other substance that when released into the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health and, without restricting the generality of the foregoing, includes any contaminant, pollutant, subject waste, deleterious substance, industrial waste, toxic matter or hazardous waste as defined by applicable Laws or regulations enacted for the protection of the natural environment or human health;

"IFRS" means International Financial Reporting Standards as issued by the International Accounting Standards Board;

"Indemnified Party" shall have the meaning ascribed thereto in Section 10;

"Infused MFG" means Infused MFG LLC, a company organized under Chapter 76 of the Nevada Revised Statutes;

"Intellectual Property" means any registered or unregistered trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial

designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, all associated registrations and applications for registration, and all associated rights, including moral rights;

“**knowledge**” means, as it pertains to the Corporation and where such reference to knowledge is not qualified, the actual knowledge of Paul Rosen, Chief Executive Officer and Chairman of the Corporation, and Patricia Kaelin, Chief Financial Officer of the Corporation, as at the date of this Agreement, together with the knowledge which they would have had if they had conducted due and applicable inquiry into the relevant subject matter;

“**Laws**” means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Governmental Authority applicable to the Corporation and its Subsidiaries;

“**Leased Premises**” shall have the meaning ascribed thereto in subsection 3(vv);

“**Marijuana Related Activities**” means activities relating to the cultivation, possession or distribution of marijuana;

“**Material Adverse Effect**” means the effect resulting from any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations or prospects of the Corporation or the Subsidiaries on a consolidated basis;

“**Material Subsidiaries**” means: (a) the wholly-owned direct and indirect subsidiaries of the Corporation being, collectively, (i) 1933 Management, (ii) FN Pharma, (iii) Infused MFG and (vii) AMA Production; and (b) Alternative Medicine, a company which the Corporation owns 91% of the issued and outstanding securities, and “**Material Subsidiary**” shall mean any one of them;

“**NI 45-102**” means National Instrument 45-102 – *Resale of Securities*;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“**OFAC**” shall have the meaning ascribed thereto in subsection 3(w);

“**Offer Date**” shall have the meaning ascribed thereto in section 14;

“**Offered Units**” shall have the meaning ascribed to it above;

“**Offering**” shall have the meaning ascribed to it above;

“**Person**” shall be broadly interpreted and shall include any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“**President’s List**” shall have the meaning ascribed to it above;

“**Purchase Price**” shall have the meaning ascribed to it above;

“**Purchasers**” means the Persons who are qualified substituted purchasers in the Selling Jurisdictions who (as purchasers or beneficial purchasers) acquire Units by duly completing, executing and delivering Subscription Agreements and any other required documentation and permitted assignees or transferees of such persons from time to time;

“**Regulation S**” means Regulation S as promulgated by the SEC under the U.S. Securities Act;

“**SEC**” means the United States Securities and Exchange Commission;

“**Securities Laws**” means, as applicable, all applicable securities Laws in each of the Selling Jurisdictions, the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, multilateral and national instruments, orders, blanket rulings, notices and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions, including but not limited to, the CSE;

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

“**Selling Jurisdictions**” shall have the meaning ascribed to it above;

“**Shares**” means the common shares of the Corporation, which the Corporation is authorized to issue as constituted on the date hereof;

“**Subscription Agreements**” means, collectively, the subscription agreements in the form agreed to by the Underwriter and the Corporation pursuant to which Purchasers agree to subscribe for and purchase Units as contemplated herein and shall include, for greater certainty, all schedules and exhibits thereto;

“**Subsequent Mandate**” shall have the meaning ascribed thereto in section 14;

“**Subsidiaries**” means the Material Subsidiaries, 1933 Legacy Inc., 1008034 B.C. Ltd., Spire Secure Logistics Inc. and 1182531 B.C. Ltd., and “**Subsidiary**” shall mean any one of them;

“**subsidiary**” shall have the meaning ascribed thereto in the *Business Corporations Act* (Ontario);

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

“**Tax Act**” means the *Income Tax Act* (Canada) and all rules and regulations made pursuant thereto, all as may be amended, re-enacted or replaced from time to time and any proposed amendments thereto announced publicly from time to time;

“**Taxes**” shall have the meaning ascribed thereto in subsection 3(v);

“**Transaction Documents**” means, collectively, this Agreement, the Subscription Agreements, any certificates representing the Warrants, the Warrant Indenture and the Compensation Warrant Certificates;

“**Transfer Agent**” means Odyssey Trust Company, in its capacity as transfer agent and registrar of the Corporation at its principal offices in the City of Vancouver, British Columbia;

“**Underlying Shares**” means, collectively, Shares partially comprising the Units, the Warrant Shares issuable upon exercise of the Warrants, the Compensation Unit Shares issuable upon exercise of the Compensation Units and the Compensation Unit Warrant Shares issuable upon exercise of the Compensation Unit Warrants;

“**Underwriter**” shall have the meaning ascribed to it above;

“**Underwriter’s Option**” shall have the meaning ascribed to it above;

“**Unit Securities**” shall have the meaning ascribed to it above;

“**Units**” shall have the meaning ascribed to it above;

“**United States**” means the United States of America, its territories and possessions and any State of the United States and the District of Columbia;

“**U.S. Marijuana Laws**” means United States federal laws relating to the cultivation, distribution, manufacture, processing, production or possession of marijuana in the United States and other related judgments, rules, regulations, orders or decrees in effect from time to time (whether federal, state, or local) that provide that such cultivation, distribution, manufacture, processing, production or possession and similar and related acts are illegal;

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

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended;

“**Warrant**” shall have the meaning ascribed to it above;

“**Warrant Agent**” shall have the meaning ascribed to it above;

“**Warrant Indenture**” shall have the meaning ascribed to it above; and

“**Warrant Share**” shall have the meaning ascribed to it above.

TERMS AND CONDITIONS

1. (a) **Sale on Exempt Basis.** The Corporation understands that, although the offer to act as underwriter with respect to the Units is made hereunder by the Underwriter to the Corporation as purchaser and is not conditional upon the Underwriter being able to arrange for Purchasers, the Underwriter shall have the right to and shall use its commercially reasonable efforts to arrange for the Units to be purchased by the Purchasers:

- (i) in the Designated Provinces on a private placement basis in compliance with applicable Securities Laws; and
- (ii) in such other jurisdictions as consented to by the Corporation on a private placement basis in compliance with all applicable Securities Laws of such other jurisdictions provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction, no registration or similar requirement would apply with respect to the Corporation in such other jurisdictions and the Corporation does not thereafter become

subject to on-going continuous disclosure obligations in such other jurisdictions.

(b) **Filings.** The Corporation undertakes to file or cause to be filed all forms or undertakings required to be filed by the Corporation in connection with the purchase and sale of the Units so that the distribution of the Units may lawfully occur without the necessity of filing a prospectus, a registration statement or an offering memorandum in Canada or elsewhere (but on terms that will permit any Unit Securities acquired by the Purchasers and the Underwriter to be issued to such Purchasers and the Underwriter subject to, and in compliance with, applicable hold periods and other restrictions under applicable Securities Laws) and the Underwriter undertakes to use commercially reasonable efforts to cause Purchasers under the Offering to complete any forms required by applicable Securities Laws and by the CSE in respect of such distribution. All fees payable in connection with such filings shall be at the expense of the Corporation.

(c) **Offering Memorandum.** Neither the Corporation nor the Underwriter shall: (i) provide to prospective Purchasers any document or other material or information that would constitute an offering memorandum within the meaning of Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Units, including, but not limited to, causing the sale of the Units to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Units whose attendees have been invited by general solicitation or advertising.

2. **Covenants.** The Corporation hereby covenants to the Underwriter and to the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the Offering, that the Corporation shall:

- (a) allow the Underwriter and its representatives to conduct all due diligence investigations regarding the Corporation and the Subsidiaries that the Underwriter may reasonably require to be conducted up to and prior to the Closing Date;
- (b) use its commercially reasonable efforts to remain a corporation validly subsisting under the *Business Corporations Act* (British Columbia), licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the nature of the activities conducted by it makes such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and, except in compliance with U.S. Marijuana Laws, in compliance in all material respects with all applicable Laws, rules and regulations of each such jurisdiction;
- (c) for a period of 24 months following the Closing Date, use commercially reasonable efforts to maintain its status as a “reporting issuer” under the Securities Laws of the Provinces of Alberta, British Columbia, Ontario and Saskatchewan not in default of any requirement of such Securities Laws, provided that this covenant shall not prevent the Corporation from completing any transaction which would result in the Corporation ceasing to be a “reporting issuer” so long as the holders of Shares receive securities of an entity which is listed on a recognized stock exchange in Canada or the United States or cash, and the holders of the Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the CSE (or such other applicable stock exchange upon which the Shares are listed or quoted);
- (d) for a period of 24 months following the Closing Date, use commercially reasonable efforts to maintain the listing of the Shares on the CSE or any other recognized stock exchange or quotation system, provided that this covenant shall not prevent the Corporation from

completing any transaction which would result in the Shares ceasing to be listed so long as the holders of Shares receive securities of an entity which is listed on a recognized stock exchange in Canada or the United States or cash, and the holders of the Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the CSE (or such other applicable stock exchange upon which the Shares are listed or quoted);

- (e) duly execute and deliver the Subscription Agreements (which the Corporation has determined to accept provided that such Subscription Agreements have been duly completed and executed by the Purchasers). In connection with executing and delivering such Subscription Agreements, the Corporation shall execute and deliver any certificates representing the Shares and Warrants comprising the Units issued pursuant to such Subscription Agreements at the Closing Time, and comply with and satisfy all terms, conditions and covenants therein and herein contained to be complied with or satisfied by the Corporation, at or prior to the Closing Time;
- (f) from the date hereof until 120 days following the Closing Date, not issue any Shares or securities convertible into, exchangeable for or otherwise exercisable to acquire Shares or other equity securities of the Corporation without the prior written consent of the Underwriter, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to incentive plans of the Corporation and other share compensation arrangements in effect as of the Closing Date; (ii) the exercise of warrants of the Corporation outstanding on the Closing Date; (iii) obligations in respect of existing agreements existing on the Closing Date (as they may be amended); and (iv) the issuance of securities in connection with asset and share acquisitions in the normal course of business;
- (g) use commercially reasonable efforts to fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled by it set out in Section 6 hereof;
- (h) ensure that, as at the Closing Time, the Warrants and the Compensation Warrants shall be authorized, validly created and issued and shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement, the Subscription Agreements, the Warrant Indenture and the Compensation Warrant Certificates, as applicable;
- (i) ensure that, at all times prior to the expiry of the Compensation Warrants, a sufficient number of Compensation Unit Warrants shall be authorized, validly created and reserved for issuance upon the exercise of the Compensation Warrants and shall have attributes corresponding in all material respects to the description set forth in this Agreement, the Warrant Indenture and the Compensation Unit Warrant Certificate;
- (j) ensure that, upon issuance thereof and payment therefor, the Underlying Shares will be duly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (k) ensure that, at all times prior to the expiry of the Warrants, a sufficient number of Warrant Shares are allotted and reserved for issuance upon the due exercise of the Warrants in accordance with their terms;

- (l) ensure that (i) at all times prior to the expiry of the Compensation Warrants a sufficient number of Compensation Unit Shares are allotted and reserved for issuance upon the exercise of the Compensation Warrants in accordance with their terms; and (ii) at all times prior to the expiry of the Compensation Unit Warrants (whether or not issued), a sufficient number of Compensation Unit Warrant Shares are allotted and reserved for issuance upon the due exercise of the Compensation Unit Warrants in accordance with their terms;
- (m) execute and file with the Securities Regulators all forms, notices and certificates relating to the Offering required to be filed pursuant to the Securities Laws in the time required by applicable Securities Laws, including, for greater certainty, all forms, notices and certificates set forth in the opinions delivered to the Underwriter pursuant to this Agreement required to be filed by the Corporation;
- (n) use the net proceeds of the Offering for facility expansion and improvement as well as for general working capital purposes;
- (o) subject to applicable Law, obtain the prior approval of the Underwriter, acting reasonably, as to the content and form of any press release relating to the Offering, such press release to include: (i) the following or substantially similar legend: “NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES”; and (ii) a disclaimer to the following effect “The securities offered have not been registered under the *United States Securities Act of 1933*, as amended, or any state securities law, and may not be offered or sold in the United States absent registration or an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy in the United States nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.”;
- (p) immediately issue a press release, concurrently with providing written notice to holders of Warrants and the Underwriter, upon the Corporation determining to accelerate the expiry date of the Warrants as contemplated in this Agreement;
- (q) use its commercially reasonable efforts to maintain the Transfer Agent or a substituted transfer agent and registrar in respect of the Shares;
- (r) use its commercially reasonable efforts to maintain the Warrant Agent or a substituted warrant agent in respect of the Warrants until the Expiry Time;
- (s) comply with all the covenants of the Corporation as set out in the Warrant Indenture;
- (t) ensure that upon their respective dates of issuance, the Underlying Shares, if and when issued, are listed and posted for trading on the CSE or such other recognized stock exchange on which the Shares are then listed;
- (u) use its commercially reasonable efforts (including, without limitation, making application to the Securities Regulators for all consents, orders and approvals necessary) to ensure that the Unit Securities will not be subject to any Canadian statutory restricted period (subject to any control person distribution restrictions) applicable to the holders thereof beyond four months and one day following the Closing Date pursuant to NI 45-102;

- (v) not have taken any action nor will take any action that would cause the exemptions from the prospectus requirements afforded by the Securities Laws to be unavailable for offers and sales of the Units pursuant to this Agreement or for the exercise of the Warrants, the Compensation Warrants and the Compensation Unit Warrants; and
- (w) ensure that in conducting its business and operations: (i) it and its Subsidiaries will apply for and obtain all material Authorizations required from any Governmental Authority having jurisdiction to the extent necessary for the Corporation and the Subsidiaries to conduct the business as it is currently conducted and presently proposed to be conducted (provided that it need only obtain such Authorizations in respect of any proposed operations prior to such time as such operations are commenced); (ii) it and its Subsidiaries will comply with the terms and conditions of all such Authorizations; and (iii) it and its Subsidiaries shall use commercially reasonable efforts to ensure that all of such Authorizations will be valid and in full force and effect as required from time to time.

3. **Representations and Warranties of the Corporation.** The Corporation represents and warrants to the Underwriter and to the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in connection with the Offering, that:

- (a) the Corporation and each Material Subsidiary has been duly incorporated, amalgamated, continued or formed, and organized and is validly existing under the laws of the jurisdiction in which it was incorporated, amalgamated, continued or formed, as the case may be, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Corporation or any Material Subsidiary;
- (b) the Corporation and each Subsidiary is duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its Assets and Properties requires such qualification and has all requisite corporate power, capacity and authority to conduct its business and own, lease and operate its Assets and Properties and to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and any other document, filing, instrument or agreement delivered in connection with the Offering;
- (c) other than the Subsidiaries, the Corporation has no direct or indirect subsidiaries or any investment or proposed investment in any Person which would otherwise be material to the business and affairs of the Corporation on a consolidated basis;
- (d) the Material Subsidiaries are the only subsidiaries material to the Corporation or which would be required to be disclosed pursuant to Item 3.2 of Form 51-102F2;
- (e) the Corporation and each Subsidiary: (i) conducts and has been conducting its business in compliance in all material respects with all applicable Laws (other than U.S. Marijuana Laws) in each jurisdiction in which its business is carried on or in which its services are provided and neither the Corporation nor any Subsidiary has received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Laws; and (ii) is not in breach or violation of any judgment, order or decree of any Governmental Authority having jurisdiction over the Corporation or such Subsidiary, as applicable;

- (f) the Corporation directly or indirectly owns all of the issued and outstanding securities of each Subsidiary (other than Alternative Medicine, which is 91% owned by the Corporation) and all of the issued and outstanding securities of the Subsidiaries are issued as fully paid and non-assessable securities. All of the issued and outstanding securities of each Subsidiary are free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation or any Subsidiary of any interest in any of the securities or other interests in the capital of such Subsidiary;
- (g) (A) the Corporation and each Subsidiary is the absolute legal and beneficial owner, and has good and valid title to, all of the material Assets and Properties thereof as described in the Disclosure Documents, including all Contracts that are material to the business of the Corporation and the Subsidiaries taken as a whole, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no other material assets or properties are necessary for the conduct of the business of the Corporation or the Subsidiaries as currently conducted and as presently proposed to be conducted, (B) the Corporation does not know of any claim or the basis for any claim that might or could materially and adversely affect the right of the Corporation or the Subsidiaries to use, transfer or otherwise exploit such Assets and Properties, and (C) neither the Corporation nor any Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the Assets and Properties thereof;
- (h) the Corporation is a reporting issuer under the Securities Laws of the Provinces of Alberta, Saskatchewan, British Columbia and Ontario and is not in default of any requirement of such Securities Laws and is not included on a list of defaulting reporting issuers maintained by the Securities Regulators or other securities regulatory authorities of such Provinces;
- (i) the Shares are listed and posted for trading on the CSE and the OTCQB;
- (j) the authorized capital of the Corporation consists of an unlimited number of Shares without nominal or par value and an unlimited number of preferred shares issuable in series, of which, as at the close of business on March 3, 2021, 315,445,508 Shares were issued and outstanding. All of the issued and outstanding shares of the Corporation have been duly and validly issued as fully paid and non-assessable, none of the outstanding shares of the Corporation were issued in violation of any pre-emptive or similar rights of any securityholder of the Corporation and no holder of outstanding shares in the capital of the Corporation is entitled to any pre-emptive or any similar rights to subscribe for any shares or other securities of the Corporation or any Subsidiary;
- (k) the Corporation has not declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of the Shares and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its securities or agreed to do so or otherwise effected any return of capital with respect to such securities;
- (l) at the Closing Time, no rights to acquire, or instruments convertible into or exchangeable for, any shares in the capital of the Corporation will be outstanding and no Person has any agreement, option, right or privilege (contractual or otherwise) capable of becoming an agreement for the purchase or acquisition of any interest in the shares or other securities of

the Corporation, other than in respect of (i) incentive stock options issued or issuable under the Corporation's equity incentive plan (pursuant to which a maximum of 21,370,000 Shares may be issuable pursuant to Awards); (ii) any outstanding 10% Convertible Debentures; or (iii) any other rights, warrants or options as disclosed in the Disclosure Documents;

- (m) at the Closing Time, all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Corporation under applicable Securities Laws and the rules and regulations of the CSE necessary for the execution and delivery of the Transaction Documents and the consummation of the transactions contemplated thereby, including for the listing and posting for trading of the Underlying Shares on the CSE upon the issuance thereof, will have been made or obtained, as applicable (other than the filing of reports required under applicable Securities Laws within the prescribed time periods and the filing of standard documents with the CSE, which documents shall be filed as soon as practicable after the Closing Date and, in any event, within 10 Business Days of the Closing Date or within such other deadline imposed by applicable Securities Laws or the CSE);
- (n) the Shares and Warrants comprising the Units, the Warrant Shares, the Compensation Warrants, the Compensation Unit Shares and the Compensation Unit Warrants comprising the Compensation Units and the Compensation Unit Warrant Shares will not be subject to a Canadian restricted period or to a statutory hold period under the Securities Laws which extends beyond four months and one day after the Closing Date, subject to the conditions set forth in Section 2.5 of NI 45-102;
- (o) the execution and delivery of each of the Transaction Documents and the performance by the Corporation of its obligations thereunder, the issue and sale of the Shares and Warrants comprising the Units and the Compensation Warrants and the consummation of the transactions contemplated in this Agreement, including the issuance of the Compensation Unit Warrants and the Underlying Shares in accordance with their respective terms do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (whether after notice or lapse of time or both) (i) any statute, rule or regulation applicable to the Corporation or the Subsidiaries, including, without limitation, the Securities Laws and the policies and rules and regulations of the CSE; (ii) the constating documents, by-laws or resolutions of the Corporation or the Subsidiaries which are in effect at the date hereof; (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or the Subsidiaries are a party or by which they are bound; or (iv) any judgment, decree or order binding the Corporation, the Subsidiaries or their respective Assets and Properties;
- (p) at the Closing Time, all necessary corporate action will have been taken by the Corporation to allot and authorize the issuance of the Shares partially comprising the Units, to validly create and issue the Warrants partially comprising the Units and to allot, authorize and reserve for issuance the Warrant Shares issuable upon exercise of the Warrants, and upon the issue thereof such Shares and Warrant Shares will be issued as fully paid and non-assessable shares in the capital of the Corporation and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;
- (q) at the Closing Time, all necessary corporate action will have been taken by the Corporation to validly create and issue the Compensation Warrants, to create the Compensation Unit

Warrants and to allot, authorize and reserve for issuance the Compensation Unit Shares and Compensation Unit Warrants issuable upon exercise of the Compensation Warrants and the Compensation Unit Warrant Shares issuable upon exercise of the Compensation Unit Warrants, and upon the issuance thereof, the Compensation Unit Shares and Compensation Unit Warrant Shares will be issued as fully paid and non-assessable shares in the capital of the Corporation and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;

- (r) at the Closing Time, each of the Transaction Documents and the Compensation Unit Warrant Certificates shall have been duly authorized and each of the Transaction Documents shall have been duly executed and delivered by the Corporation and upon the execution and delivery of each Transaction Document and the Compensation Unit Warrant Certificates, each such Transaction Document and the Compensation Unit Warrant Certificates shall constitute a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law;
- (s) Odyssey Trust Company, at its principal office in Vancouver, British Columbia, has been duly appointed as registrar and transfer agent in respect of the Shares and as warrant agent under the Warrant Indenture;
- (t) there are no contracts or agreements between either the Corporation or any Subsidiary and any Person granting such person the right to require the Corporation or any Subsidiary to file a registration statement under Securities Laws in the United States or a prospectus under Securities Laws in Canada, with respect to any securities of the Corporation or such Subsidiary owned or to be owned by such Person;
- (u) except as disclosed in the Disclosure Documents, the Corporation has not approved, has not entered into any agreement in respect of, or has any knowledge of:
 - (A) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Corporation or any Subsidiary whether by asset sale, transfer of shares or otherwise;
 - (B) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or any Subsidiary or otherwise) of the Corporation or any Subsidiary; or
 - (C) any proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Corporation or any Subsidiary;
- (v) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes and land transfer taxes), duties, royalties, levies,

imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, “**Taxes**”) due and payable or required to be collected or withheld and remitted, by the Corporation and each of the Subsidiaries have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Corporation or the Subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading or have a Material Adverse Effect. To the knowledge of the Corporation, no examination of any tax return of the Corporation or any Subsidiary is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Corporation or any Subsidiary. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Corporation or any Subsidiary;

- (w) the Corporation and, as applicable, each Subsidiary, has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of the Corporation or the Subsidiaries that are material, and there are no audits pending of the tax returns of the Corporation or any Subsidiary (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency that would result in a Material Adverse Effect;
- (x) to the knowledge of the Corporation, the operations of the Corporation and the Subsidiaries have been conducted at all times in compliance with the applicable federal and state laws relating to terrorism or money laundering (“**Anti-Terrorism Laws**”), including the financial recordkeeping and reporting requirements of The Bank Secrecy Act of 1970, as amended; Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “**Executive Order**”); the Foreign Corrupt Practices Act; the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), and none of the Corporation or the Subsidiaries is (i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person with which the Purchasers are prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) a person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or (v) a person that is named as a “specially designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control (“**OFAC**”) at its official website or any replacement website or other replacement official publication of such list or any other person (including any foreign country and any national of such country) with whom the United States Treasury Department prohibits doing business in accordance with OFAC regulations. No action, suit or proceeding by or before any Governmental Authority or body or any arbitrator involving the Corporation or any Subsidiary with respect to Anti-Terrorism Laws is pending or, to the knowledge of the Corporation, threatened. The Corporation will not directly or indirectly use the proceeds, or lend, contribute or otherwise make available such

proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any sanctions administered by OFAC;

- (y) except as disclosed in the Disclosure Documents, no legal or governmental actions, suits, judgments, investigations or proceedings are pending to which the Corporation or the Subsidiaries or the directors, officers or employees of the Corporation or the Subsidiaries are a party or to which the Corporation or the Subsidiaries' property or assets are subject which if finally determined adversely to the Corporation or the Subsidiaries would be expected to result in a Material Adverse Effect and, to the knowledge of the Corporation, no such proceedings have been threatened against or are pending with respect to the Corporation or the Subsidiaries, or with respect to their respective property and assets and the Corporation and the Subsidiaries are not subject to any judgment, order, writ, injunction, decree or award of any Governmental Authority, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect;
- (z) neither the Corporation nor any of the Subsidiaries is (i) in violation of its constating documents; or (ii) in default of the performance or observance of any obligation, agreement, covenant or condition contained in any Contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound, except in the case of clause (ii) for any such violations or defaults that would not result in a Material Adverse Effect;
- (aa) to the knowledge of the Corporation, no counterparty to a Contract of the Corporation or a Subsidiary is in default or breach of such Contract and there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a default or breach by such party under any such Contract except where such default or breach would not be expected to result in a Material Adverse Effect;
- (bb) any and all of the agreements and other documents and instruments pursuant to which the Corporation or any of the Subsidiaries holds its property and assets (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable against the Corporation or the Subsidiaries, as applicable, in accordance with the terms thereof, neither the Corporation nor any of the Subsidiaries is in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing, in all material respects, under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licenses and claims pursuant to which the Corporation or any of the Subsidiaries derives its interests in such property and assets are in good standing and there has been no material default under any such lease, licence or claim. None of the properties (or any interest in, or right to earn an interest in, any property) of the Corporation or any of the Subsidiaries is subject to any right of first refusal or purchase or acquisition right;
- (cc) the audited financial statements of the Corporation as at and for the period ended July 31, 2020 and the unaudited consolidated financial statements of the Corporation as at and for the three month period ended October 31, 2020 (together, the "**Financial Statements**") have been prepared in accordance with IFRS and, present fairly, in all material respects, the financial condition of the Corporation and the applicable Subsidiaries, taken as a whole, as at the dates thereof and reflect all assets, liabilities or objectives (absolute, accrued,

contingent or otherwise) of the Corporation and the applicable Subsidiaries and the results of the operations and cash flows of the Corporation and the applicable Subsidiaries for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation, as applicable, that are required to be disclosed in such financial statements and there has been no material change in accounting policies or practices of the Corporation since October 31, 2020;

- (dd) there are no material liabilities of the Corporation whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Financial Statements;
- (ee) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization, and (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets;
- (ff) the Corporation's Auditors who audited the Financial Statements and who provided their audit report thereon are independent public accountants as required under applicable Securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Corporation and the Corporation's Auditors;
- (gg) since July 31, 2020, (A) there has been no material change (actual, proposed or prospective, whether financial or otherwise) in the business, business prospects, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation or the Subsidiaries to the date of this Agreement except as has been disclosed in the Disclosure Documents, and (B) no transactions have been entered into by the Corporation or the Subsidiaries other than in the ordinary course of business, except as has been disclosed in the Disclosure Documents;
- (hh) there is no material fact known to the Corporation which the Corporation has not disclosed to the Underwriter which materially and adversely affects, or so far as the Corporation can now reasonably foresee, will materially and adversely affect, the assets, liabilities (contingent or otherwise), affairs, business, prospects, operations or condition (financial or otherwise) of the Corporation and the Subsidiaries, on a consolidated basis, or the ability of the Corporation to perform its obligations under the Transaction Documents and the Compensation Unit Warrant Certificates;
- (ii) there are no material third party consents required to be obtained in order for the Corporation to create and issue the Unit Securities, other than those which have been obtained;
- (jj) the Corporation and the Subsidiaries: (i) are and at all times have been in full compliance with all applicable Laws other than the U.S. Marijuana Laws, other than non-compliance that would not result in a Material Adverse Effect; (ii) have not received any correspondence or notice from any Governmental Authority alleging or asserting noncompliance with any applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits, qualifications, consents and supplements or amendments thereto required by any such applicable Laws (collectively, "**Authorizations**"); (iii) possess all Authorizations required for the conduct of their respective business, and such Authorizations are valid and in full force and effect and the

Corporation and the Subsidiaries are not in violation of any term of any such Authorization, other than non-compliance that would not result in a Material Adverse Effect; (iv) have not received notice of any pending or threatened claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Authority or third party alleging that any operation or activity of the Corporation or the Subsidiaries is in violation of any applicable Laws or Authorizations and have no knowledge or reason to believe that any such Governmental Authority or third party is considering any such claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action that would result in a Material Adverse Effect; (v) have not received notice that any Governmental Authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any material Authorizations and/or will not grant any required Authorization and have no knowledge or reason to believe that any such Governmental Authority is considering such action; and (vi) have, or have had on their behalf, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission);

- (kk) the Corporation and the Subsidiaries are, and at all times have been, in full compliance with all rules, regulations and requirements of the Cannabis Compliance Board (the “CCB”) and have not received any correspondence or notice from the CCB alleging or asserting noncompliance with such rules, regulations and requirements, and as of the date hereof, the Corporation and its Subsidiaries have not received any complaints from the CCB nor does the Corporation or its Subsidiaries have any unresolved statements of deficiencies with the CCB;
- (ll) other than as set forth in Schedule “A”, neither the Corporation nor any of the Subsidiaries are involved (directly or indirectly) in any Marijuana Related Activities, or have any joint partnerships, ventures or act as manager or landlord to any persons involved in any Marijuana Related Activities;
- (mm) neither the Corporation nor any Subsidiary is aware of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Corporation or any of the Subsidiaries presently in force or to their collective knowledge, proposed to be brought into force that the Corporation anticipates it or the Subsidiaries will be unable to comply with, to the extent that compliance is necessary, which would reasonably be likely to result in a Material Adverse Effect;
- (nn) the Corporation and the Subsidiaries own or have the right to use all of the Intellectual Property owned or used by their respective business as of the date hereof. All registrations, if any, and filings necessary to preserve the rights of the Corporation and the Subsidiaries in such Intellectual Property have been made and are in good standing, other than registrations which are limited by restrictions on the registration of trademarks related to cannabis at the U.S. federal level. The Corporation and the Subsidiaries have no pending action or proceeding nor any threatened action or proceeding, against any Person with respect to the use of such Intellectual Property and there are no circumstances which cast doubt on the validity or enforceability of such Intellectual Property owned or used by the Corporation and the Subsidiaries. The conduct of the business of the Corporation and the

Subsidiaries does not, to the knowledge of the Corporation, infringe upon the intellectual property rights of any other Person. The Corporation and the Subsidiaries have no pending action or proceeding, nor, to the knowledge of the Corporation, is there any threatened action or proceeding against them with respect to the Corporation's and the Subsidiaries' use of such Intellectual Property;

- (oo) to the Corporation's knowledge, there is no Intellectual Property, other than the Intellectual Property which the Corporation owns and licenses, that is required to permit the Corporation and its Subsidiaries to substantially carry on each of its present business, and the Corporation has no knowledge of any Intellectual Property owned by another person that is required to permit the Corporation or any Subsidiary to substantially carry on its business and to which the Corporation knows it or its Subsidiaries cannot obtain a license;
- (pp) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation of the Subsidiaries has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation are pending, contemplated or threatened by any regulatory authority;
- (qq) there is no agreement in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation or any Subsidiary;
- (rr) no union has been accredited or otherwise designated to represent any employees of the Corporation or any Subsidiary and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or any Subsidiary and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation or any Subsidiary and none is currently being negotiated by the Corporation or any Subsidiary;
- (ss) there has not been in the last two years and there is not currently any labour disruption or conflict which could reasonably be expected to have a Material Adverse Effect on the Corporation or any Subsidiary;
- (tt) the Disclosure Documents disclose, to the extent required by applicable Securities Laws, each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation or the Subsidiaries or for the benefit of any current or former director, officer, employee or consultant of the Corporation or the Subsidiaries (the "**Employee Plans**"), each of which have been maintained in all material respects with its terms and with the requirements prescribed by any and all Laws that are applicable to such Employee Plan;
- (uu) the Corporation and the Subsidiaries are each in compliance in all material respects with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and have not and are not engaged in any unfair labour practice;

- (vv) with respect to each premises of the Corporation or the Subsidiaries which is material to the Corporation and the Subsidiaries, taken as a whole, and which the Corporation or any Subsidiary occupies as tenant (collectively, the “**Leased Premises**”), the Corporation or a Subsidiary, as applicable, occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation and/or any Subsidiary occupies the Leased Premises is in good standing and in full force and effect;
- (ww) neither the Corporation nor any Subsidiary owns any real property;
- (xx) none of the directors, officers or employees of the Corporation or any Subsidiary, any Person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation or securities of any person exchangeable for more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such Person) with the Corporation or any Subsidiary which, as the case may be, materially affects, is material to or would reasonably be expected to materially affect the Corporation, on a consolidated basis;
- (yy) except as disclosed in the Disclosure Documents, there are no actions, suits, judgments, investigations, inquiries or proceedings of any kind whatsoever outstanding (whether or not purportedly on behalf of the Corporation or any Subsidiary), pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation, any Subsidiary or any of their respective directors or officers, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the knowledge of the Corporation, there is no basis therefor and neither the Corporation nor any Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may affect, is material to or will materially affect the Corporation or any Subsidiary or their respective property or assets or could adversely affect the ability of the Corporation to perform its obligations under this Agreement;
- (zz) the Corporation’s and its Subsidiaries’ insurance policies are valid and enforceable and in full force and effect, are underwritten by unaffiliated and reputable insurers, are sufficient for all requirements of applicable Law and provide insurance, including liability and product liability insurance, in such amounts and against such risks as is customary for corporations engaged in businesses similar to that carried on by the Corporation and the Subsidiaries. The Corporation and the Subsidiaries are not in default in any material respect with respect to the payment of any premium or compliance with any of the provisions contained in any such insurance policy and have not failed to give any notice or present any claim within the appropriate time therefor. There are no circumstances under which the Corporation or the Subsidiaries would be required to or, in order to maintain its coverage, should give any notice to the insurers under any such insurance policy which has not been given. The Corporation and the Subsidiaries have not received notice from any of the insurers regarding cancellation of such insurance policy;
- (aaa) (i) the Corporation and the Subsidiaries, their respective Assets and Properties and the operation of their respective businesses, have been and are, to the knowledge of the Corporation, in compliance in all material respects with all Environmental Laws; (ii) the Corporation and the Subsidiaries are not in violation of any regulation relating to the

release or threatened release of Hazardous Materials; (iii) the Corporation and the Subsidiaries have complied in all material respects with all reporting and monitoring requirements under all Environmental Laws; (iv) the Corporation and the Subsidiaries have operated their respective business and received, handled, used, stored, treated, shipped and disposed of all Hazardous Materials, in each case, in compliance with all applicable Environmental Laws; (v) the Corporation and the Subsidiaries have never received any notice of any material non-compliance in respect of any Environmental Laws; (vi) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Corporation or the Subsidiaries relating to Hazardous Materials or any Environmental Laws; and (vii) there are no Environmental Permits necessary to conduct the business;

- (bbb) other than the 10% Debentures, neither the Corporation nor any of the Subsidiaries has made any loans to, or guaranteed the obligations of, any Person;
- (ccc) the minute books and records of the Corporation and the Subsidiaries for the period from their respective dates of incorporation to the date hereof and made available to the Underwriter and its counsel are all of the minute books and records of the Corporation and the Subsidiaries and contain copies of all proceedings other than in respect of the Offering (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Corporation and the Subsidiaries to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Corporation and the Subsidiaries during such period not reflected in such minute books and other records, other than those which are not material to the Corporation and the Subsidiaries, taken as a whole;
- (ddd) all information which has been prepared by the Corporation relating to the Corporation, the Subsidiaries and their respective business, property and liabilities and made available to the Underwriter, and all financial, marketing, sales and operational information related to the Corporation, the Subsidiaries and their respective business provided to the Underwriter was as of the date of such information and is, as of the date hereof, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which would make such information materially misleading and did not contain a misrepresentation;
- (eee) the Corporation is in compliance in all respects with its timely and continuous disclosure obligations under the Securities Laws of the Provinces of Alberta, British Columbia, Ontario and Saskatchewan and the policies, rules and regulations of the CSE and, without limiting the generality of the foregoing, there has not occurred any material adverse change in the assets, liabilities (contingent or otherwise), business, condition (financial or otherwise), capital or prospects of the Corporation and the Subsidiaries, taken as a whole, since July 31, 2020, which has not been publicly disclosed on a non-confidential basis and, except as may have been corrected by subsequent disclosure, the statements set forth in the Disclosure Documents were true, correct and complete in all material respects and did not contain any misrepresentation as of the date of such statements and the Corporation has not filed any confidential material change reports since the date of such statements which remain confidential as at the date hereof;

- (fff) none of the Corporation, the Subsidiaries or to the knowledge of the Corporation their officers or directors is aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part 16 – *Civil Liability* of the *Securities Act* (British Columbia) or comparable legislation under the applicable Securities Laws of the Designated Provinces;
- (ggg) other than the Underwriter, there is no Person acting or purporting to act at the request or on behalf of the Corporation that is entitled to any brokerage or finder’s fee or other compensation in connection with the transactions contemplated by this Agreement;
- (hhh) the Shares, Warrants and Warrant Shares will be qualified investments under the Tax Act, eligible for investment in a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a deferred profit sharing plan and a tax-free savings account;
- (iii) the Corporation is and on the Closing Date will be a Foreign Issuer with no Substantial U.S. Market Interest with respect to any class of securities of the Corporation; and
- (jjj) the Corporation has used commercially reasonable efforts to restrict its officers and directors from selling any securities of the Corporation from the date of the Engagement Letter to the Closing Date; and
- (kkk) the Corporation is not, and after giving effect to the Offering and the application of the proceeds of the Offering, will not be, registered or required to register as an “investment company” as such term is defined under the United States Investment Company Act of 1940, as amended, under such Act.

It is further agreed by the Corporation that all representations and warranties of the Corporation in this Section 3 made by the Corporation to the Underwriter shall also be deemed to be made for the benefit of the Purchasers as if the Purchasers were also parties hereto (it being agreed that the Underwriter is acting for and on behalf of the Purchasers for this purpose).

4. **Representations, Warranties and Covenants of the Underwriter.** The Underwriter hereby represents, warrants and covenants to the Corporation, and acknowledges that the Corporation is relying upon such representations, warranties and covenants in connection with the Offering, that:

- (a) it has been duly incorporated, or formed, and organized and is validly existing under the laws of the jurisdiction in which it was incorporated or formed, as the case may be and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Underwriter;
- (b) it has good and sufficient right and authority to enter into this Agreement and to complete the transactions contemplated under this Agreement and any other documents in connection with the Offering to which it is a party;
- (c) it has complied and will comply, and shall require any Selling Firm to comply, with all applicable Securities Laws in connection with the sale of the Units, and shall offer the Units for sale to potential Purchasers on a private placement basis directly and through Selling Firms upon the terms and conditions set out in this Agreement. Any Selling Firm appointed

by the Underwriter shall be compensated by the Underwriter from its compensation hereunder;

- (d) it has offered and will offer, and shall require any Selling Firm to offer, for sale to potential Purchasers on a private placement basis and sell the Units only in the Selling Jurisdictions where they may be lawfully offered for sale and sold;
- (e) it and its representatives (including any Selling Firms) have not engaged in or authorized, and will not engage in or authorize, activity that would constitute “directed selling efforts” under Regulation S or any form of general solicitation or general advertising in connection with or in respect of the Units in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio, television or otherwise conducted any seminar or meeting concerning the offer or sale of the Units whose attendees have been invited by any general solicitation or general advertising;
- (f) it has not and will not: (i) provide prospective Purchasers with any document or other material that would constitute an offering memorandum within the meaning of applicable Securities Laws; or (ii) solicit offers to purchase or sell the Units so as to require the filing of a prospectus or registration statement with respect thereto or the provision of a contractual right of action (as defined in Ontario Securities Commission Rule 14-501) or a statutory right of action under the laws of any jurisdiction or obligate the Corporation to (A) take action to qualify any of its securities, (B) establish or maintain any office, director or officer in such jurisdiction, or (C) execute a general consent to services of process or register to do business in such jurisdiction, or otherwise subject the Corporation to any reporting or other requirement in such jurisdiction other than reports that may be required to be filed in connection with the Offering;
- (g) it has not made, and will not make, and will require any Selling Firm to agree not to make, any representations or warranties about the Corporation or the Units;
- (h) it will obtain from each Purchaser a duly completed and executed Subscription Agreement (including any applicable schedules and exhibits thereto) and other forms required under applicable Securities Laws that are provided to it by the Corporation for execution by Purchasers relating to the issuance and sale of the Units; and
- (i) it is acquiring the Compensation Warrants as principal for its own account and not for the benefit of any other Person and is acquiring the Compensation Warrants for investment only and not with a view to resale or distribution of the Broker Warrants and the Underwriter is an “accredited investor” as such term is defined in NI 45-106.

5. **Closing Deliveries.** The purchase and sale of the Units shall be completed at the Closing Time on the Closing Date at the offices of Armstrong Simpson, Vancouver, BC or at such other place as the Underwriter and the Corporation may agree. At or prior to the Closing Time, the Corporation shall deliver to the Underwriter:

- (a) the opinions, certificates and agreements referred to in Section 6 and all other documents required to be provided by the Corporation to the Underwriter pursuant to this Agreement and the Subscription Agreements;

- (b) other than in respect of Direct Settlers, certificates representing the Shares and Warrants comprising the Units registered in the name of “CDS & Co.” or any Purchaser or in such other name or names as the Underwriter may direct. Notwithstanding the foregoing, if the Underwriter and the Corporation determine to issue any of the Shares and Warrants comprising the Units issued to Purchasers who are not Direct Settlers as book-entry only securities in accordance with the “non-certificated inventory” rules and procedures of CDS, then as an alternative or in addition to the Corporation delivering one or more definitive certificates representing such Shares and Warrants comprising the Units, the Underwriter will provide a direction to CDS with respect to the crediting of the Shares and Warrants comprising the Units to the accounts of participants of CDS as shall be designated by the Underwriter in writing in sufficient time prior to the Closing Date to permit such crediting;
- (c) the Corporation’s receipt for payment by the Underwriter of an amount equal to the aggregate purchase price for the Units sold to Purchasers who are not Direct Settlers pursuant to the Offering less an amount equal to the Commission, Advisory Fee and the costs and expenses of the Underwriter provided for in Section 12; and
- (d) such further documentation as may be contemplated by this Agreement or as counsel to the Underwriter or the applicable regulatory authorities may reasonably require,

against delivery of the Underwriter to the Corporation of:

- (e) all duly completed Subscription Agreements tendered by the Purchasers who are not Direct Settlers for the Units being issued and sold and, where applicable, all completed forms, schedules and certificates contemplated by the Subscription Agreements;
- (f) wire transfer of immediately available funds in an amount equal to the aggregate purchase price for the Units sold to Purchasers who are not Direct Settlers pursuant to the Offering, less an amount equal to the Commission, the Advisory Fee and the costs and expenses of the Underwriter provided for in Section 12; and
- (g) the Underwriter’s receipt for the Commission, the Advisory Fee and the costs and expenses of the Underwriter provided for in Section 12 and the Units delivered to the Underwriter in accordance with this Section 5.

6. **Closing Conditions.** Each Purchaser’s obligation to purchase the Units at the Closing shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Underwriter shall have received at the Closing Time a certificate dated the Closing Date, signed by an appropriate officer or officers of the Corporation addressed to the Underwriter, with respect to the constating documents of the Corporation, all resolutions of the Corporation’s board of directors relating to the Transaction Documents and the Compensation Unit Warrant Certificates and otherwise pertaining to the purchase and sale of the Units and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers and such other matters as the Underwriter may reasonably request;
- (b) the Underwriter shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation, or such other officer or director of the Corporation as the Underwriter may agree, certifying for

and on behalf of the Corporation, without personal liability, to the best of the knowledge, information and belief of the persons so signing, that:

- (i) the Corporation has complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time;
 - (ii) the representations and warranties of the Corporation contained in this Agreement and in any certificates of the Corporation delivered pursuant to or in connection with this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement; and
 - (iii) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officer, contemplated or threatened by any regulatory authority;
- (c) the Underwriter shall have received satisfactory evidence that notice of the Offering has been provided to the CSE, and all requisite filings have been made with the CSE in order to complete the Offering, in each case in accordance with the applicable policies of the CSE;
- (d) the Underwriter shall have received satisfactory evidence that all requisite approvals and consents have been obtained by the Corporation in order to complete the Offering and remain in full force and effect;
- (e) each of the Transaction Documents shall be in a form acceptable to the Underwriter, acting reasonably, and shall have been executed and delivered by the Corporation;
- (f) the Underwriter shall have received a certificate from Odyssey Trust Company as to the number of Shares issued and outstanding as at a date not more than two Business Days prior to the Closing Date;
- (g) the Underwriter shall have received legal opinions addressed to the Underwriter and the Purchasers, in form and substance satisfactory to the Underwriter, acting reasonably, dated as of the Closing Date, from Armstrong Simpson, counsel to the Corporation, or local counsel with respect to those matters governed by the laws of jurisdictions other than the jurisdictions in which it is qualified to practice, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Corporation, as appropriate, with respect to the following matters:
- (i) the incorporation and valid existence of the Corporation;
 - (ii) the authorized and issued and outstanding capital of the Corporation immediately prior to the Closing Time;
 - (iii) the corporate power and capacity of the Corporation to execute and deliver the Transaction Documents and the Compensation Unit Warrant Certificates and to perform all of its obligations thereunder and to create and issue the Unit Securities;

- (iv) the Corporation has the corporate power and capacity under the laws of British Columbia to carry on business as presently carried on and to own, lease and operate its Assets and Properties;
- (v) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of the Transaction Documents and the Compensation Unit Warrant Certificates and the performance by the Corporation of its obligations thereunder;
- (vi) each of the Transaction Documents to be executed and delivered on the Closing Date has been authorized, executed and delivered by the Corporation, and constitute a valid and legally binding agreement of the Corporation enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and the qualification that the enforceability of rights of indemnity, contribution and waiver and the ability to sever unenforceable terms may be limited by applicable Law;
- (vii) the Compensation Unit Warrant Certificates, when issued and delivered by the Corporation, will constitute legal, valid and binding obligations of the Corporation, enforceable against the Corporation by the other party thereto in accordance with the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and the qualification that the enforceability of rights of indemnity, contribution and waiver and the ability to sever unenforceable terms may be limited by applicable Law;
- (viii) the Shares partially comprising the Units have been duly authorized and will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (ix) the Warrants partially comprising the Units and the Compensation Warrants have been authorized, created and validly issued by the Corporation;
- (x) the Compensation Unit Warrants have been authorized, created and reserved for issuance by the Corporation;
- (xi) the Warrant Shares have been reserved for issuance and such Warrant Shares, when issued and delivered by the Corporation in accordance with the terms of the Warrant Indenture, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (xii) the Compensation Unit Shares have been reserved for issuance and, when issued and delivered by the Corporation in accordance with the terms of the Compensation Warrants, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;

- (xiii) the Compensation Unit Warrant Shares have been reserved for issuance and, when issued and delivered by the Corporation in accordance with the Warrant Indenture and Compensation Unit Warrant Certificates, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (xiv) each of: (A) the execution and delivery of the Transaction Documents; (B) the performance by the Corporation of its obligations thereunder; and (C) the sale or issuance of the Unit Securities do not and will not conflict with or result in a breach of, or constitute (with or without notice or lapse of time or both) a default under any of the provisions of: (i) any applicable Laws; (ii) the constating documents of the Corporation; or (iii) any resolution of shareholders or directors of the Corporation;
- (xv) the appointment of Odyssey Trust Company as (i) transfer agent of the Shares; and (iii) warrant agent under the Warrant Indenture;
- (xvi) the issuance and sale of the Shares and Warrants comprising the Units to the Purchasers in the Designated Provinces in accordance with the Subscription Agreements and the issuance of the Compensation Warrants to the Underwriter is exempt from the prospectus requirements of applicable Securities Laws in the Designated Provinces and no filing, proceeding, approval, permit, consent or authorization being required to be made, taken or obtained by the Corporation under applicable Securities Laws in connection with such issuance and sale; it being noted, however, that the Corporation is required to file or cause to be filed with the applicable Securities Regulators, reports on Form 45-106F1, prepared and executed pursuant to NI 45-106, together with the prescribed filing fee, within 10 days following the Closing Date;
- (xvii) the issuance of the Warrant Shares upon the exercise of the Warrants in accordance with the Warrant Indenture, the Compensation Unit Shares and Compensation Unit Warrants upon exercise of the Compensation Warrants in accordance with the terms of the Compensation Warrant Certificates and the Compensation Unit Warrant Shares upon exercise of the Compensation Unit Warrants in accordance with the terms of the Warrant Indenture and the Compensation Unit Warrant Certificates will be exempt from the prospectus requirements of applicable Securities Laws in the Designated Provinces and no filing, proceeding, approval, permit, consent or authorization being required to be made, taken or obtained by the Corporation under applicable Securities Laws in connection with such issuance;
- (xviii) that, based on the current provisions of the Tax Act, the Shares, Warrants and Warrant Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans and tax free saving accounts;
- (xix) the first trade of the Unit Securities in the Designated Provinces; and
- (xx) the Corporation is a reporting issuer under applicable Securities Laws in each of the Provinces of British Columbia, Alberta, Saskatchewan and Ontario and is not on the list of defaulting issuers maintained under such legislation;

- (h) the Underwriter shall have received a favourable legal opinion addressed to the Underwriter and the Purchasers, in form and substance satisfactory to the Underwriter, acting reasonably, dated as of the Closing Date, from counsel to each of the Material Subsidiaries, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Material Subsidiaries, as appropriate, with respect to the following matters:
 - i. the incorporation and existence of each Material Subsidiary under the laws of its jurisdiction of incorporation;
 - ii. as to the registered ownership of the issued and outstanding shares of each Material Subsidiary; and
 - iii. that each Material Subsidiary has all requisite corporate power and capacity under the laws of its jurisdiction of incorporation to carry on its business as presently carried on and to own, lease and operate its Assets and Properties,
- (i) the Underwriter shall have received a certificate of status (or the equivalent) in respect of the Corporation and each Material Subsidiary dated the Business Day immediately prior to the Closing Date or such other date as the Corporation and the Underwriter may agree;
- (j) attestation of the Corporation's Executive Vice President and General Counsel dated as of the Closing Date (addressed to the Underwriter, Underwriter's Counsel and the Purchasers) in form and substance satisfactory to the Underwriter, acting reasonably, relating to the Corporation's and the Material Subsidiaries' compliance with the rules, regulations and requirements of the CCB, as applicable;
- (k) the Underwriter shall have received a certificate dated the Closing Date of the Chief Executive Officer and the Chief Financial Officer of the Corporation or other officers of the Corporation acceptable to the Underwriter, confirming all Marijuana Related Activities of the Corporation and its Subsidiaries; and
- (l) the Underwriter shall be satisfied in its sole discretion with its due diligence review and investigations of the Corporation, the Subsidiaries, and their respective business and affairs or otherwise.

7. **Termination Events.**

- (a) The Underwriter shall be entitled to terminate its obligations hereunder and the obligations of the Purchasers in relation to the Offering by written notice to that effect given to the Corporation at or prior to any Closing Time if:
 - (i) there should occur any material change (actual, contemplated or threatened) or any change in a material fact or occurrence of a new or previously undisclosed material fact or event in the business, operations, assets, affairs (including, for greater certainty, any change to the board of directors or executive management of the Corporation, including the departure of the Corporation's Chief Executive Officer or Chief Financial Officer (or persons in equivalent positions)), prospects, control, capital or condition (financial or otherwise) of the Corporation or any Subsidiary, taken as a whole, which, in the reasonable opinion of any Underwriter, has or would reasonably be expected to have a significant adverse effect

on the business, affairs or profitability of the Corporation or on the market price, value or marketability of the securities of the Corporation;

- (ii) the Underwriter is not satisfied, in its sole discretion, acting reasonably and in good faith with the results of its due diligence review;
- (iii) the Corporation is in breach of a term, condition or covenant of this Agreement and/or the Engagement Letter that may not be reasonably expected to be remedied prior to Closing Time or any representation or warranty given by the Corporation herein or therein becomes or is false, untrue or misleading;
- (iv) any order to cease or suspend trading, or to otherwise prohibit or restrict in any manner the distribution or trading, in securities of the Corporation is made or threatened, or proceedings are announced or commenced for the making of any such order, by any securities regulatory authority, judicial authority or the CSE, which order has not been rescinded, revoked or withdrawn;
- (v) any inquiry, action, suit, proceeding or investigation (whether formal or informal) (including matters of regulatory transgression or unlawful conduct) is commenced, announced or threatened or any order is made or issued under or pursuant to any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including, without limitation, the CSE or any securities regulatory authority) or there is a change in any law, rule or regulation, or in the interpretation or administration thereof, which, in the reasonable opinion of the Underwriter, operates to prevent, restrict or otherwise materially adversely effect the distribution or trading of the Units; or
- (vi) there should develop, occur or come into effect or existence any event, action, state or condition or any action, law or regulation, inquiry, including, without limitation, terrorism, accident, or major financial, health, political or economic occurrence of national or international consequence, including any escalation in the severity of the COVID-19 pandemic, which, in the reasonable opinion of the Underwriter, seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets in Canada or the U.S. or the business, affairs or operations of the Corporation or the marketability of the Units.

(b) The Corporation agrees that: (i) all material terms and conditions in this Agreement shall be construed as conditions and complied with so far as the same relate to acts to be performed or caused to be performed by the Corporation; (ii) it will use commercially reasonable efforts to cause such conditions to be complied with; and (iii) any breach or failure by the Corporation to comply with any of such conditions shall entitle the Underwriter, at its option in accordance with Section 7, to terminate its obligations under this Agreement (and the obligations of the Purchasers arranged by it to purchase the Units) by notice to that effect given to the Corporation at or prior to the Closing Time. The Underwriter may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Underwriter only if the same is in writing and signed by the Underwriter.

8. **Exercise of Termination Right.** The rights of termination contained in Section 7 may be exercised by the Underwriter and are in addition to any other rights or remedies the Underwriter may have in respect of any of the matters contemplated by this Agreement or otherwise. Any such termination shall not

discharge or otherwise affect any obligation or liability of the Corporation provided herein or prejudice any other rights or remedies any party may have as a result of any breach, default or non-compliance by any other party. In the event of any such termination by the Underwriter, there shall be no further liability on the part of the Underwriter to the Corporation or on the part of the Corporation to the Underwriter except in respect of any liability which may have arisen or may arise after such termination in respect of acts or omissions prior to such termination under Sections 10, 11 and 12.

9. **Survival of Representations, Warranties and Covenants.** All terms, warranties, representations, covenants and agreements herein contained or contained in any documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the purchase and sale of the Units and continue in full force and effect for the benefit of the Underwriter, the Purchasers and/or the Corporation, as the case may be, regardless of the Closing of the Offering for a period of two years following the Closing Date and regardless of any investigations which may be carried out by the Underwriter or on its behalf and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriter in connection with the purchase and sale of the Units or otherwise. In this regard, the Underwriter shall act as trustee for the Purchasers and accepts these trusts and shall hold and enforce such rights on behalf of the Purchasers. Notwithstanding the foregoing, any provisions of this Agreement in any manner relating to indemnification or contribution obligations shall survive and continue, in full force and effect, indefinitely.

10. **Indemnity.** The Corporation agrees to indemnify and hold harmless the Underwriter and its affiliates and syndicate or selling group members and each of their respective directors, officers, employees, partners, agents and shareholders (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”), to the full extent lawful, from and against any and all expenses, losses (other than a loss of profits of such Indemnified Party), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages and liabilities, joint or several, (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending and/or settling any action, suit, proceeding, investigation or claim (collectively, the “**Claims**”) that may be made or threatened against any Indemnified Party by a third party) to which any Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection with the matters set out in this Agreement, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (i) an Indemnified Party has been grossly negligent, or has committed wilful misconduct or any fraudulent act in the course of such performance; and
- (ii) the expenses, losses, claims, damages or liabilities to which the Indemnified Party makes a claim for indemnification were directly caused by the gross negligence, willful misconduct or fraud referred to in (i) immediately above.

The Corporation agrees to waive any right the Corporation might have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other Person before claiming under this indemnity.

The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or any Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or if any such entity shall investigate

the Corporation and/or any Indemnified Party and an Indemnified Party and any of its personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of this Agreement, the Engagement Letter, or the performance of professional services rendered to the Corporation by the Underwriter hereunder and thereunder, such Indemnified Party or its personnel shall have the right to employ its own counsel in connection therewith, provided that the Indemnified Party acts reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (at normal per diem rates) and out-of-pocket expenses incurred by the Indemnified Party and any of its personnel in connection therewith shall be paid by the Corporation as they occur.

Promptly after receiving notice of a Claim against an Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, the Indemnified Party will notify the Corporation in writing of the commencement and particulars thereof, will provide copies of all relevant documentation to the Corporation and, unless the Corporation assumes the defence thereof (as contemplated below), will keep the Corporation advised of the progress thereof and will discuss all significant actions proposed. However, the omission to so notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to the Indemnified Party. The Corporation shall, on behalf of itself and the Indemnified Party, be entitled (but not required), at its own expense, to participate in and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel acceptable to the Indemnified Party, acting reasonably. Upon the Corporation notifying the Indemnified Party in writing of its election to assume the defence and retaining counsel, the Corporation shall not be liable to such Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Indemnified Party, will keep the Indemnified Party advised of the progress thereof and will discuss with the Indemnified Party all significant actions proposed.

Notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Corporation's expense, to employ counsel of such Indemnified Party's choice (provided that such counsel is acceptable to the Corporation, acting reasonably), in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Corporation; or (ii) the Corporation has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Corporation has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Corporation (in which event and to that extent, the Corporation shall not have the right to assume or direct the defence on the Indemnified Party's behalf) or that there is a conflict of interest between the Corporation and the Indemnified Party or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Corporation shall not have the right to assume or direct the defence on the Indemnified Party's behalf).

No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Indemnified Parties. No admission of liability shall be made and the Corporation shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.

With respect to any Indemnified Party who is not a party to this Agreement, the Underwriter shall obtain and hold the rights and benefits of this Section 10 in trust for and on behalf of such Indemnified Party.

The indemnity and contribution obligations of the Corporation shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to those Indemnified Parties who are not signatories to this Agreement and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation and the Indemnified Parties.

The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement and continue in full force and effect, indefinitely.

11. (a) **Contribution.** In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 10 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Underwriter or enforceable otherwise than in accordance with its terms, the Corporation and the Underwriter shall contribute to the aggregate of all claims, expenses, costs and liabilities (including any legal expenses reasonably incurred by the Indemnified Party in connection with any claim which is the subject of this Section 11) and all losses (other than loss of profits) of a nature contemplated in Section 10 in such proportions as are appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Underwriter on the other hand, but also the relative fault of the Corporation and the Underwriter, as well as any relevant equitable consideration. The Underwriter shall not in any event be liable to contribute, in the aggregate, any amounts in excess of such aggregate fees or any portion of such fees actually received by the Underwriter pursuant to this Agreement. However, no party who has engaged in any fraud, fraudulent misrepresentation, wilful misconduct or gross negligence shall be entitled to claim contribution from any Person who has not engaged in such fraud, fraudulent misrepresentation, wilful misconduct or gross negligence.

(b) **Right of Contribution in Addition to Other Rights.** The rights to contribution provided in this Section 11 shall be in addition to and not in derogation of any other right to contribution which the Underwriter may have by statute or otherwise at law.

(c) **Calculation of Contribution.** In the event that the Corporation may be held to be entitled to contribution from the Underwriter under the provisions of any statute or at law, and provided that the Underwriter has not engaged in any fraud, fraudulent misrepresentation, wilful misconduct or gross negligence the Corporation shall be limited to contribution in an amount not exceeding the lesser of:

- (i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Underwriter is responsible, as determined in Section 11(a) above; and
- (ii) the amount of the aggregate fee actually received by the Underwriter from the Corporation under this Agreement.

(d) **Notice.** If the Underwriter has reason to believe that a claim for contribution may arise, it shall give the Corporation notice of such claim in writing, as soon as reasonably possible, but failure to notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Underwriter under this Section 11, unless the Corporation is materially prejudiced by such failure to notify.

12. **Expenses.** Whether or not the Offering is completed, the Corporation will bear all of the Underwriter's reasonable expenses and fees in connection with the Offering, the issue and delivery of the Units or incidental to all matters in connection with the transactions herein set out, including, but not limited to: (i) all expenses of or incidental to the issue, sale or distribution of the Units; (ii) the fees of the Underwriter's legal counsel (such fees not to exceed \$100,000), all disbursements of such legal counsel and all applicable taxes on such fees and disbursements; and (iii) all costs incurred in connection with the preparation of documentation relating to the Offering. All fees and expenses incurred by the Underwriter

or on its behalf shall be payable by the Corporation immediately upon receiving an invoice therefor from the Underwriter, and in any event no later than 15 days following receipt of an invoice from the Underwriter in respect of such fees, disbursements and expenses. At the option of the Underwriter, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Corporation at the Closing.

13. **Advertisements.** The Corporation acknowledges that the Underwriter shall have the right after the Closing, subject always to Sections 1(a) and (c) of this Agreement, at its own expense, subject to the prior consent of the Corporation, such consent not to be unreasonably withheld or delayed, to place such advertisement or advertisements relating to the purchase and sale of the Units contemplated herein as the Underwriter may consider desirable or appropriate and as may be permitted by applicable Law. The Corporation and the Underwriter each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration or other similar requirements under applicable Securities Laws in any of the provinces of Canada or any other jurisdiction in which the Units shall be offered and sold being unavailable in respect of the sale of the Units to prospective purchasers.

14. **Right of First Refusal.** The Corporation hereby grants the Underwriter the exclusive right, but not the obligation, to participate and act as lead agent and sole bookrunner in any further offering of securities of the Corporation to be issued and sold in Canada by private placement or public offering or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer (each a “**Subsequent Mandate**”) until the earlier of: (i) six months following the Closing Date; and (ii) the closing date of the next offering of securities by Corporation by way of private placement or public offering. Should the Corporation intend to proceed with any Subsequent Mandate or receive a specific offer in connection with a Subsequent Mandate from another broker or dealer before the date that is six months following the Closing Date (the date of such offer being the “**Offer Date**”), the Corporation shall immediately advise the Underwriter of the terms and conditions of the Subsequent Mandate and the Underwriter shall have five Business Days to exercise its right of first refusal to participate on the same terms and conditions as contemplated in the Subsequent Mandate. If the Underwriter elects in writing not to exercise such right or is deemed to not elect such right, the Corporation may proceed with such Subsequent Mandate with such other broker or dealer provided that the Corporation enters into an agreement with such broker or dealer within 30 days following the Offer Date. For greater certainty, the Underwriter acknowledges that if the Corporation issues any securities to which the foregoing would apply, but does not retain or utilize a registered dealer as agent therefore, the foregoing shall not apply to such issuance, unless any of the subscribers to the issuance of such securities is a subscriber or beneficial purchaser of Units pursuant to the Offering.

15. **Notices.** Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a “**notice**”) shall be in writing addressed as follows:

(a) if to the Corporation, to:

1933 Industries Inc.
1055 West Hastings Street, Suite 300
Vancouver, BC V6E 2E9

Attention: Paul Rosen, Chief Executive Officer
Email: paul@1933industries.com

with a copy to (which shall not constitute notice):

Armstrong Simpson
777 Hornby Street, Suite 2080
Vancouver, BC V6Z 1S4

Attention: Shauna Hartman
Email: shartman@armlaw.com

(b) if to the Underwriter, to:

Canaccord Genuity Corp.
Brookfield Place
161 Bay Street, Suite 3000
Toronto, ON M5J 2S1

Attention: Derek Ham
Email: DHam@cgf.com

with a copy to (which shall not constitute notice hereunder):

Wildeboer Dellelce LLP
Wildeboer Dellelce Place
365 Bay Street, Suite 800
Toronto, ON M5H 2V1

Attention: Sanjeev Patel
Email: spatel@wildlaw.ca

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by electronic transmission to the addressee and: (i) a notice which is personally delivered shall, if delivered on a Business Day before 5:00 p.m., be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by electronic transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

16. **Market Stabilization.** In connection with the distribution of the Units, the Underwriter may effect transactions which stabilize or maintain the market price of the Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by applicable Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Underwriter at any time.

17. **No Fiduciary Duty.** The Corporation hereby acknowledges that (i) the purchase and sale of the Units pursuant to this Agreement is an arm's length commercial transaction between the Corporation, on the one hand, and the Underwriter and any affiliate through which it may be acting to effect sales, on the other hand; (ii) the Underwriter is acting as principal and not as an agent or fiduciary of the Corporation; and (iii) the Corporation's engagement of the Underwriter in connection with the Offering and the process leading up to the Offering is as an independent contractor and not in any other capacity. The Corporation agrees that it is solely responsible for making its own judgments in connection with the Offering (regardless of whether the Underwriter has advised or is currently advising the Corporation on related or other matters). The Corporation agrees that it will not claim that the Underwriter owes an agency, fiduciary or similar duty to the Corporation in connection with the offering and sale of Units or the process leading thereto.

18. **Underwriter is a Securities Dealer.** The Corporation acknowledges that the Underwriter is a securities firm engaged in securities trading and brokerage activities as well as providing investment banking and financial advisory services and that in the ordinary course of its trading and brokerage activities, the Underwriter and its respective affiliates, as applicable, at any time may hold long or short positions, and may trade or otherwise effect transactions for its own account or the accounts of customers, in debt or equity securities of the Corporation, or any other company that may be involved in a transaction or related derivative securities.
19. **Time of the Essence.** Time shall, in all respects, be of the essence hereof.
20. **Canadian Dollars.** All references herein to dollar amounts are to lawful money of Canada.
21. **Headings.** The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.
22. **Singular and Plural, etc.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.
23. **Entire Agreement.** This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings including for greater certainty, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.
24. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.
25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the parties submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia.
26. **Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, the Underwriter and the Purchasers and their respective executors, heirs, successors and permitted assigns including any resulting issuer; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.
27. **Further Assurances.** Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.
28. **Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.
29. **Language.** The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressment demandées que la présente convention ainsi que tout avis, tout état de compte et tout autre document a être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.

30. **Counterparts and Email Copies.** Each of the parties hereto will be entitled to rely on delivery of an electronic mail or PDF copy of this Agreement and acceptance by each such party of any such electronic mail or PDF copy will be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof. This Agreement may be executed in any number of counterparts and by electronic transmission, which taken together shall form one and the same agreement.

**SCHEDULE “A”
MARIJUANA RELATED ACTIVITIES**

A. Alternative Medicine Association LC

The Corporation owns 91% of Alternative Medicine Association LC, a Nevada limited liability company (“**Alternative Medicine**”). Alternative Medicine is licensed to cultivate marijuana and to manufacture marijuana-infused products. Alternative Medicine holds the following marijuana licenses in the State of Nevada:

1. Medical Marijuana Cultivation;
2. Medical Marijuana Production;
3. Recreational Marijuana Cultivation; and
4. Recreational Marijuana Production.

B. Infused MFG LLC

The Corporation owns 100% of Infused MFG LLC, a Nevada limited liability company (“**Infused MFG**”). Infused MFG produces industrial hemp-based products from industrial hemp cultivated and processed under Nevada’s Industrial Hemp Pilot Program.