

**EARLY WARNING REPORT  
RELATING TO THE ACQUISITION OF SECURITIES IN THE CAPITAL OF  
MEDCOLCANNA ORGANICS INC.**

The undersigned hereby certifies:

**1. Security and Reporting Issuer:**

1.1 Common Shares

Medcolcanna Organics Inc. (the “**Issuer**”)  
800, 400 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 0L6

1.2 The Issuer’s common shares (the “**Common Shares**”) are listed for trading on the TSX Venture Exchange under the symbol “MCCN”.

**2. Identity of the Acquiror**

2.1 Morsevo Trade Inc. (“**Morsevo**”)

Trinity Place Annex, Corner Frederick and Shirley Streets  
P.O. Box N-4805  
Nassau, Bahamas

2.2 On May 17, 2019, the Issuer completed a business combination transaction resulting in, securities held by Morsevo being converted into an aggregate of 9,500,000 Common Shares and 4,750,000 Common Share purchase warrants of the Issuer (the “**Warrants**”). Each Warrant entitles the holder to acquire an additional Common Share at a purchase price of \$0.40/share until May 17, 2021. Since May 17, 2019, Morsevo acquired an additional 1,647,100 Common Shares through purchases in the open market. Prior to the completion of the business combination transaction on May 17, 2019, Morsevo did not hold any securities of the Issuer. Morsevo currently holds an aggregate of 11,147,100 Common Shares, representing approximately 11.03% of the issued and outstanding Common Shares (7.89% on a partially diluted basis).

2.3 Mr. Stanislav Drgon is the beneficial owner of the shares of Morsevo.

**3. Interest in Securities of the Reporting Issuer**

3.1 See Item 2.2.

3.2 See Item 2.2.

3.3 N/A

3.4 See Item 2.2.

3.5 N/A

3.6 N/A

3.7 N/A

3.8 N/A.

**4. Consideration Paid**

4.1 Morsevo acquired an aggregate of 9,500,000 subscription receipts at a price of \$0.25/subscription receipt on December 20, 2018 and March 5, 2019.

4.2 N/A

4.3 N/A

**5. Purpose of the Transaction**

The securities were acquired by Mr. Drgon, through Morsevo Trade Inc. for investment purposes.

Mr. Drgon intends to review his investment in the Issuer on a continuing basis. Presently, he has no intention of acquiring any further securities of the Issuer or disposing of any of his securities. Mr. Drgon may acquire or dispose of securities in the future depending upon market circumstances and other considerations.

**6. Agreements, Arrangements, Commitments or Understandings with Respect to Securities of the Reporting Issuer**

N/A

**7. Change in Material Fact**

N/A

**8. Exemption**

N/A

**9. Certification**

I, as the acquirer, certify, or I, as the agent filing this report on behalf of an acquirer, certify to the best of the knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: October 6 , 2020

Signature:       /s/ "Stanislav Drgon

Name/Title: Stanislav Drgon, Director