

## UNDERWRITING AGREEMENT

January 31, 2018

Golden Leaf Holdings Ltd.  
82 Richmond Street East  
Toronto, ON M5C 1P1

**Attention: William Simpson, Chief Executive Officer**

Dear Sir:

Canaccord Genuity Corp. (the “**Underwriter**”) understands that Golden Leaf Holdings Ltd. (the “**Corporation**”) proposes to issue and hereby offers to sell, and the Underwriter hereby offers to purchase, on a “bought deal”, private placement basis, or find Substituted Purchasers (as hereinafter defined) to purchase on their behalf, an aggregate of 38,980,000 units of the Corporation (the “**Units**”), at a price of \$0.45 per Unit (the “**Issue Price**”), for aggregate gross proceeds to the Corporation of \$17,541,000, subject to the terms and conditions set out below (the “**Offering**”).

Each Unit shall be comprised of one common share of the Corporation (each a “**Common Share**”) and one common share purchase warrant of the Corporation (each, a “**Warrant**”). Each Warrant will be exercisable to acquire one common share of the Corporation (each, a “**Warrant Share**”) at an exercise price of \$0.55 per Warrant Share (the “**Exercise Price**”) for a period of 24 months following the Closing Date (as hereinafter defined), subject to adjustment in certain events. The Warrants shall be duly and validly created and issued pursuant to, and governed by, a warrant indenture (the “**Warrant Indenture**”) to be entered into between Alliance Trust Company (the “**Warrant Agent**”), in its capacity as warrant agent thereunder, and the Corporation to be dated as of the Closing Date. 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 case of any inconsistency between the description of the Warrants in this Agreement (as hereinafter defined) and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

The Corporation understands that although this Agreement is presented on behalf of the Underwriter as the purchaser, the Underwriter will have the right to solicit orders and obtain substituted purchasers (the “**Substituted Purchasers**”) in Offering Jurisdictions (as hereinafter defined) where the Units may be lawfully sold pursuant to the terms and conditions hereof, in which case (a) the Corporation will sell such Units (or part thereof) to such Substituted Purchasers, and (b) the obligation of the Underwriter to purchase the Units from the Corporation shall be reduced by the number of Units purchased by the Substituted Purchasers.

The Underwriter shall be entitled to appoint a selling group consisting of other registered dealers subject to acceptance by the Corporation (each a “**Selling Firm**”) as their 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, the Corporation shall pay to the Underwriter at Closing a cash commission (the “**Commission**”) equal to \$1,052,460. The obligation of the Corporation to pay the Commission shall arise at the Closing (as hereinafter defined) and the Commission shall be fully earned by the Underwriter at the Closing Time (as hereinafter defined).

As additional compensation for the services rendered by the Underwriter hereunder, the Corporation shall issue to the Underwriter, on the Closing Date, 2,338,800 compensation warrants (the “**Compensation Warrants**”). Each Compensation Warrant shall be exercisable to acquire one Unit of the Corporation (a “**Compensation Unit**”), each Compensation Unit being comprised of one Common Share and one Warrant. The Compensation Warrants shall be exercisable for a period of 24 months following the Closing Date at an exercise price per Compensation Unit equal to the Issue Price, subject to adjustment in certain events. The Warrants issuable upon exercise of the Compensation Warrants shall be governed by the terms and conditions of the Warrant Indenture.

The parties acknowledge that the Common Shares and Warrants comprising the Units and the Compensation Units, the Compensation Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) and may not be offered or sold in the United States (as hereinafter defined) or to, or for the account or benefit of, U.S. Persons (as hereinafter defined) or persons in the United States, nor may the Compensation Warrants or the Warrants be exercised in the United States or by or on behalf of a U.S. Person or a person in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws in the manner specified in this Agreement. All actions to be undertaken by the Underwriter in the United States in connection with the matters contemplated herein will be undertaken through the U.S. Placement Agent (as hereinafter defined).

## **Terms and Conditions**

### **Section 1      Definitions**

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

“**ACMPR Licenses**” shall have the meaning ascribed thereto in Section 4(1)(www);

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

“**Agreement**” means the agreement resulting from the acceptance by the Corporation of the offer made by the Underwriter hereby, including all schedules hereto, as amended or supplemented from time to time;

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

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

“**Claims**” shall have the meaning ascribed thereto in Section 10(1);

“**Closing**” means the closing of the transaction of purchase and sale in respect of the Units as contemplated by this Agreement and the Subscription Agreements;

“**Closing Date**” means the date of Closing in respect of the Units, which shall be on January 31, 2018, or such other date agreed to between the Corporation and the Underwriter;

“**Closing Time**” means 8:30 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as agreed to between the Corporation and the Underwriter;

“**Commission**” has the meaning ascribed to such term on page 1 hereof;

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

“**Compensation Warrants**” has the meaning ascribed to such term on page 2 hereof;

“**Compensation Units**” has the meaning ascribed to such term on page 2 hereof;

“**Corporation**” means Golden Leaf Holdings Ltd.;

“**Corporation’s Auditors**” means Jackson & Co., 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;

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

“**Debt Instrument**” means any mortgage, note, indenture, loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Corporation or any subsidiary is a party or otherwise bound;

“**Disclosure Documents**” means, collectively, all of the documentation which has been filed by or on behalf of the Corporation with the relevant Securities Regulators pursuant to the applicable Securities Laws and the disclosure schedule of the Corporation attached hereto as Schedule “C”;

“**Engagement Letter**” means the letter agreement dated as of January 7, 2018 between the Corporation and the Underwriter relating to the Offering, as further amended on January 8, 2018;

“**Environmental Laws**” means any federal, provincial, local or municipal statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of Hazardous Materials or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

“**Exercise Price**” has the meaning ascribed to such term on page 1 hereof;

“**Environmental Permits**” means permits, authorizations and approvals required under any applicable Environmental Laws to carry on business as currently conducted;

“**Financial Statements**” shall have the meaning ascribed thereto in Section 4(1)(bb)

“**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;

“**Hazardous Materials**” means chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board, or any successor entity, applicable as at the date on which such principles are applied;

“**Inactive Subsidiary**” means Greenpoint Science, Corp., an Israeli corporation;

“**Indemnified Party**” or “**Indemnified Parties**” shall have the meaning ascribed thereto in Section 10(1) hereof;

“**Intellectual Property**” shall have the meaning ascribed thereto in Section 4(1)(mm) hereof;

“**Issue Price**” has the meaning ascribed to such term on page 1 hereof;

“**knowledge of the Corporation**” (or similar phrase) means, with respect to the Corporation, the knowledge of William Simpson after due and diligent inquiry ;

“**Laws**” means the Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term “applicable” with respect to such Laws and in the context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

“**Leased Premises**” means each premise which the Corporation or the Subsidiary occupies as tenant;

“**Losses**” has the meaning ascribed thereto in Section 10(1) hereof;

“**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 of the Corporation or any Subsidiary who believe that confirmation of the decision of the board of directors is probable), event, violation, inaccuracy or circumstance that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, prospects, financial condition, or results of operations of the Corporation and its subsidiaries, taken as a whole;

“**Material Agreement**” means any material contract, commitment, agreement (written or oral), instrument, lease or other document, license agreement and agreements relating to intellectual property, to which the Corporation or any subsidiary are a party or to which any of their property or assets are otherwise bound;

“**Medical Establishment Licenses**” shall have the meaning ascribed thereto in Section 4(1)(rrr);

“**Nevada Licenses**” shall have the meaning ascribed thereto in Section 4(1)(rrr);

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

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

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

“**Offering**” has the meaning ascribed to such term on page 1 hereof;

“**Offering Jurisdictions**” means the Qualifying Provinces, the United States, excluding Oregon, and such other jurisdictions consented to by the Corporation and the Underwriter where the Units are sold pursuant to this Agreement and such other jurisdictions as the Underwriter determine, in their discretion, provided such sales are made in accordance with applicable Laws and do not obligate the Corporation to file a prospectus, become a reporting issuer or become subject to continuous disclosure requirements (or their equivalents in such jurisdictions in each case);

“**Oregon Licenses**” shall have the meaning ascribed thereto in Section 4(1)(rrr);

“**person**” includes 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;

“**Purchasers**” means, collectively, the persons (which may include the Underwriter) who are Substituted Purchasers or Qualified Institutional Buyers who, as purchasers or beneficial purchasers, acquire the Units by duly completing, executing and delivering the Subscription Agreements and any other required documentation and permitted assignees or transferees of such persons from time to time;

“**Qualified Institutional Buyer**” means a “qualified institutional buyer” as defined in Rule 144A under the U.S. Securities Act;

“**Qualifying Provinces**” means each of the provinces of Canada where the Units are sold pursuant to this Agreement;

“**Regulation S**” means Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

“**Securities Laws**” means, unless the context otherwise requires, all applicable securities laws in each of the Qualifying Provinces, 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 and, in connection with the offer and sale of the Units in the United States, all applicable securities laws in the United States, including the U.S. Securities Act and the securities laws of any state of the United States;

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in the Offering Jurisdictions (including the CSE);

“**Selling Firm**” has the meaning ascribed to such term on page 1 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;

“**Subsidiaries**” means Golden Leaf Holdings Inc., an Ontario corporation, Greenpoint Canada Inc., an Ontario corporation, Medical Marihuana Group Corporation, an Ontario corporation, Medical Marijuana Group Consulting Ltd., an Ontario corporation, Greenpoint Holdings Delaware, Inc., a Delaware corporation, Greenpoint Oregon, Inc., an Oregon corporation, CFA Productions, Inc., an Oregon limited liability company, Greenpoint Real Estate, LLC, an Oregon limited liability company, Greenpoint Nevada, Inc., a Nevada corporation, Left Coast Connections, Inc., an Oregon corporation, CFA Retail, LLC, an Oregon limited liability company, Greenpoint Equipment Leasing, LLC, an Oregon limited liability company, GL Management, Inc., a Nevada corporation, and Greenpoint Workforce, Inc., an Oregon corporation, and “Subsidiary” means any one of them, as applicable;

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

“**Substituted Purchasers**” has the meaning ascribed to such term on page 1 hereof;

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

“**Underwriter**” means Canaccord Genuity Corp.;

“**Units**” has the meaning ascribed to such term on page 1 hereof;

“**United States**” and “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**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. Placement Agent**” means any U.S.-registered broker-dealer of an Underwriter;

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

“**Warrant**” has the meaning ascribed to such term on page 1 hereof;

“**Warrant Agent**” has the meaning ascribed to such term on page 1 hereof;

“**Warrant Indenture**” means the warrant indenture pursuant to which the Warrants and the Compensation Warrants will be created and issued dated as of the Closing Date and entered into between the Corporation and the Warrant Agent; and

“**Warrant Share**” has the meaning ascribed to such term on page 1 hereof.

## Section 2      **Offering and Sale of the Units**

- (1)      **Bought Deal.** Upon and subject to the terms and conditions set forth herein, the Underwriter hereby agrees to purchase from the Corporation, and the Corporation hereby agrees to issue and sell to the Underwriter, all (but not less than all) of the Units at the Closing Time for the Issue Price.
  
- (2)      **Sale on Exempt Basis to the Purchasers.** 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 purchasers, the Underwriter has the right to arrange for the Units to be purchased by the Substituted Purchasers:
  - (a)      in the Qualifying Provinces on a private placement basis in compliance with applicable Securities Laws;
  
  - (b)      to, or for the account or benefit of, Substituted Purchasers that are persons in the United States or U.S. Persons (through the U.S. Placement Agent) pursuant to transactions that are exempt from registration under the U.S. Securities Act and applicable state securities laws, all such offers and sales under this Agreement to be carried out and completed in accordance with the terms and conditions set out in Schedule “A” to this Agreement and applicable Securities Laws; and
  
  - (c)      in such other jurisdictions (other than the United States), as may be agreed upon between the Corporation and the Underwriter, on a private placement basis in compliance with all applicable securities laws of such other jurisdictions provided that (i) no prospectus, registration statement or similar document is required to be filed in such jurisdiction, (ii) no registration or similar requirement would apply with respect to the Corporation in connection with the Offering in such other jurisdictions, and (iii) the Corporation does not thereafter become subject to on-going continuous disclosure obligations in such other jurisdictions.
  
- (3)      **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 Common Shares and Warrants comprising the Units may lawfully occur without the necessity of filing a prospectus or an offering memorandum in Canada (but on terms that will permit the Common Shares and Warrants comprising the Units acquired by the Purchasers in the Offering Jurisdictions to be sold by such Purchasers in the Offering Jurisdictions subject to, and in compliance with, applicable hold periods and other restrictions under applicable Securities Laws) and the Underwriter undertakes to use its commercially reasonable efforts to cause Purchasers to complete any forms required by applicable Securities Laws or applicable securities laws of the other Offering Jurisdictions. All fees payable in connection with such filings under applicable Securities Laws shall be at the expense of the Corporation.

### **Section 3      Covenants of the Corporation**

- (1) The Corporation hereby covenants to the Underwriter and the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Units, that it will:
  - (a) allow the Underwriter and its representatives to conduct all due diligence regarding the Corporation, and its subsidiaries which the Underwriter may reasonably require to be conducted prior to the Closing Time;
  - (b) fulfill 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;
  - (c) until the expiry of the Warrants in accordance with their terms, use commercially reasonable efforts to remain a corporation validly existing under the laws of the Province of Ontario, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the Corporation determines such licensing, registration or qualification is necessary to carry on its business, provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, sale of all or substantially all of the Corporation's assets, takeover bid, merger or other similar transaction;
  - (d) until the expiry of the Warrants in accordance with their terms, maintain its status as a "reporting issuer" under the Securities Laws of at least one jurisdiction of Canada not in default of any requirement of such Securities Laws, provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, sale of all or substantially all of the Corporation's assets, takeover bid, merger or other similar transaction;
  - (e) until the expiry of the Warrants in accordance with their terms, use commercially reasonable efforts to maintain the listing of the Common Shares on the CSE or such other recognized stock exchange or quotation system in Canada, provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, sale of all or substantially all of the Corporation's assets, takeover bid, merger or other similar transaction;
  - (f) duly execute and deliver the Transaction Documents at the Closing Time, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation;
  - (g) fulfill all legal requirements to permit the creation and issuance of the Common Shares and the Warrants comprising the Units and the Compensation Warrants at the Closing Time and the issuance of the Common Shares issuable upon exercise of the Warrants and the Compensation Warrants, as applicable, all as contemplated by the Transaction Documents, and file or cause to be filed all forms, notices, documents, applications, undertakings or certificates required to be filed by the Corporation in connection with the Offering so that the distribution of such securities may lawfully occur without the necessity of filing a prospectus in Canada or a registration statement in the United States or similar document in any other jurisdiction;



- (h) ensure that, at the Closing Time, the Common Shares are duly authorized and validly created and, upon receipt of full payment therefore, are issued as fully paid and non-assessable shares in the capital of the Corporation and shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;
- (i) ensure that, at the Closing Time, the Warrants and the Compensation Warrants shall be validly created and issued and shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;
- (j) ensure that at all times prior to the expiry of the Warrants (including any warrants issuable upon exercise of the Compensation 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;
- (k) ensure that at all times prior to the expiry of the Compensation Warrants, a sufficient number of Common Shares and Warrants are allotted and reserved for issuance upon the due exercise of the Compensation Warrants in accordance with their terms;
- (l) ensure that the Warrant Shares issuable upon the due exercise of the Warrants (including any warrants issuable upon exercise of the Compensation Warrants) shall be duly issued as fully paid and non-assessable Common Shares of the Corporation on payment of the exercise price therefor;
- (m) subject to applicable law, obtain the prior approval of the Underwriter as to the content and form of any press release relating to the Offering (such consent not to be unreasonably withheld or delayed);
- (n) for the period of 120 days following the Closing Date, not, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation, without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed), other than in conjunction with: (A) the grant of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements, provided that the exercise price thereof shall not be less than the Exercise Price; (B) the exercise of outstanding stock options and warrants; (C) obligations of the Corporation in respect of existing agreements; or (D) the issuance of securities by the Corporation in connection with acquisitions in the normal course of business;
- (o) prior to the Closing Time, cause each of the directors and senior officers of the Corporation to enter into a lock-up undertaking in favour of the Underwriter pursuant to which such person shall agree not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the

Corporation for a period of 120 days after the Closing Date, without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed), other than in conjunction with: (A) transfers by any such person to its family members or affiliates, provided that each transferee shall, as a condition precedent to such transfer, agree to enter into a substantially similar undertaking; (B) transfer upon the death of such individual, provided that the transferee shall, as a condition precedent to such transfer, agree to enter into a substantially similar undertaking (C) in order to accept a bona fide take-over bid made to all securityholders of the Corporation or similar business combination transaction; (D) the exercise or conversion of any securities by a director or senior officer (including, without limitation, stock options and warrants), provided that any Common Shares or other securities received upon such exercise or conversion will also be subject to the lock-up undertaking; or (E) a pledge to a bank or other financial institution for the purpose of giving collateral for a debt made in good faith, but solely to the extent that such bank or financial institution agrees in writing to be bound by the terms of the lock-up undertaking;

- (p) use its commercially reasonable efforts to have the Common Shares issued pursuant to this Offering, including the Warrant Shares, posted and listed for trading on the CSE upon issuance (or if the Common Shares are no longer traded on the CSE, on such other exchange as the Common Shares are then traded) as soon as possible following the Closing;
- (q) 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; and
- (r) promptly notify the Underwriter of the receipt by the Corporation, or any subsidiaries of any notice by any judicial or regulatory authority or any stock exchange requesting any information, meeting or hearing relating to such entity for or in respect of the Offering.

#### **Section 4 Representations and Warranties of the Corporation**

- (1) 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) each of the Corporation, and its Subsidiaries (A) is a corporation or limited liability company duly incorporated, continued, amalgamated or formed and validly existing under the laws of the jurisdiction in which it was incorporated, continued, amalgamated or formed, as applicable; (B) has all requisite power and authority and is duly qualified and holds all necessary permits, licences and authorizations necessary or required to carry on its business as now conducted and proposed to be conducted to own, lease or operate its properties and assets; (C) where required, has been duly qualified as an extra-provincial corporation or foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts business unless, in each case, the failure to do so would not individually or in the aggregate, have a Material Adverse Effect; and (D) no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;

- (b) the Corporation has all requisite corporate power, authority and capacity to enter into each of the Transaction Documents and to perform the transactions contemplated herein and therein, including, without limitation, to issue the Common Shares and the Warrants comprising the Units and the Compensation Units, the Compensation Warrants and the Warrant Shares, as applicable;
- (c) the Corporation has no direct or indirect subsidiary or any investment or proposed investment in any person that is or will be material to the Corporation, other than the Subsidiaries and the Inactive Subsidiary;
- (d) the Inactive Subsidiary has no assets or liabilities and does not carry on any business;
- (e) except for the pledges of securities of the Subsidiaries granted by the Corporation and certain Subsidiaries in favour of Alliance Trust Company pursuant to an indenture dated November 2, 2017 between the Corporation, certain Subsidiaries and Alliance Trust Company, the Corporation and certain of the Subsidiaries own all of the issued and outstanding shares or membership interests, as applicable, of the Subsidiaries, free and clear of all 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 shares or membership interests in the capital of a Subsidiary. All of the issued and outstanding shares or membership interests of the Subsidiaries are outstanding as fully paid and non-assessable, as applicable;
- (f) Schedule “B” hereto sets forth an accurate organizational chart showing the material ownership structure of the Corporation and each of its direct and indirect subsidiaries as of the date hereof, including, without limitation, the issued and outstanding share capital or issued and outstanding membership interest in each corporate entity (or like entity, including a limited liability company) shown thereof;
- (g) other than in respect of certain United States federal laws relating to the cultivation, distribution or possession of marijuana in the United States as disclosed in the Disclosure Documents, the Corporation and the Subsidiaries have conducted and are conducting their businesses in compliance with all applicable laws and regulations of each jurisdiction in which it carries on business, except where the failure to so comply would not have a Material Adverse Effect, and the Corporation and the Subsidiaries hold all material requisite licences, registrations, qualifications, permits and consents necessary or appropriate for carrying on business as currently carried on and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects. Without limiting the generality of the foregoing, none of the Corporation or its Subsidiaries has received a written notice of non-compliance, nor does it know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which would have a Material Adverse Effect, other than in respect of certain United States federal laws relating to the cultivation, distribution or possession of marijuana in the United States as disclosed in the Disclosure Documents;
- (h) other than in respect of its failure to file a business acquisition report in connection with the acquisition of all of the issued and outstanding equity interest of CFA Retail, LLC and certain assets of CFA Productions, LLC, the Corporation is in compliance

in all material respects with all of the rules, policies and requirements of the CSE and OTCQB and the Common Shares are currently listed on the CSE and OTCQB and on no other stock exchange or public market;

- (i) the Corporation is currently a “reporting issuer” in the provinces of British Columbia, Alberta and Ontario and, other than in respect of its failure to file a business acquisition report in connection with the acquisition of all of the issued and outstanding equity interest of CFA Retail, LLC and certain assets of CFA Productions, LLC, is in compliance, in all material respects, with all of its obligations as a reporting issuer and since incorporation has not been the subject of any investigation by any stock exchange or any Securities Regulator, is current with all material filings required to be made by it under Securities Laws and other laws, is not aware of any material deficiencies in the filing of any documents or reports with any Securities Regulators and there is no material change relating to the Corporation which has occurred and with respect to which the requisite news release or material change report has not been filed with the Securities Regulators;
- (j) the Corporation has not filed any confidential material change report with the Securities Regulators;
- (k) other than the Leased Premises and any Intellectual Property that is licensed to third parties, each of the Corporation and the Subsidiaries is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material properties and assets thereof, and no other property or assets are necessary for the conduct of the business of the Corporation and the Subsidiaries as currently conducted. Any and all of the agreements and other documents and instruments pursuant to which each of the Corporation or any Subsidiary holds the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents and instruments in full force and effect, enforceable in accordance with the terms thereof, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, and all material leases, licenses and other agreements pursuant to which the Corporation or any Subsidiary derives the interests thereof in such property are in good standing. 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 any Subsidiary to use, transfer or otherwise exploit their respective assets, none of the properties (or any interest in, or right to earn an interest in, any property) of the Corporation or any Subsidiary is subject to any right of first refusal or purchase or acquisition right, and neither the Corporation nor any Subsidiary has a responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;
- (l) no legal or governmental proceedings or inquiries are pending to which the Corporation or any Subsidiary is a party or to which the property thereof is subject that would result in the revocation or modification of any certificate, authority, permit or license necessary to conduct the business now owned or operated by the Corporation or any Subsidiary which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect and, to the knowledge of the Corporation, no such legal or governmental proceedings

or inquiries have been threatened against or are contemplated with respect to the Corporation or any Subsidiary or with respect to the properties or assets thereof;

- (m) other than as disclosed in the Disclosure Documents, there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the best of the Corporation's knowledge, pending or threatened against or affecting the Corporation, any Subsidiary or the directors, officers or employees of the Corporation or its Subsidiaries, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of the Corporation's knowledge, there is no basis therefore 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 have a Material Adverse Effect or that would materially adversely affect the ability of the Corporation to perform its obligations under the Transaction Documents;
- (n) neither the Corporation nor any Subsidiary is in violation of its constating documents or agreements, as applicable, or in default in any material respect in the performance or observance of any material obligation, agreement, covenant or condition contained in any Material Agreement;
- (o) to the knowledge of the Corporation, no counterparty to any material obligation, agreement, covenant or condition contained in any Material Agreement to which the Corporation or any Subsidiary is a party is in default in the performance or observance thereof, except where such violation or default in performance would not have a Material Adverse Effect;
- (p) there are no judgments against the Corporation nor any Subsidiary which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation or any Subsidiary is subject;
- (q) neither the Corporation nor any Subsidiary has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it;
- (r) at the Closing Time, all material 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 to which the Corporation is a party and the creation, issuance and sale, as applicable, of the Common Shares and the Warrants comprising the Units and the Compensation Units, the Compensation Warrants and the Warrant Shares, and the consummation of the transactions contemplated hereby and thereby, 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 such deadline imposed by applicable Securities Laws or the rules and regulations of the CSE);

- (s) the Common Shares and Warrants comprising the Units and the Compensation Units, the Compensation Warrants and the Warrant Shares have been authorized and reserved and allotted for issuance, as applicable;
- (t) at the Closing Time, the Common Shares will be validly issued and the Warrants and the Compensation Warrants will be duly and validly issued and created;
- (u) upon the due exercise of the Warrants comprising the Units and the Compensation Units in accordance with the respective provisions thereof, the Warrant Shares issuable upon the exercise thereof, as applicable, will be duly and validly issued as fully paid and non-assessable Common Shares of the Corporation on payment of the purchase price therefor;
- (v) the Common Shares and Warrants comprising the Units and the Compensation Units, the Compensation Warrants and the Warrant Shares issued to Purchasers resident in Canada will not be subject to a restricted period or to a statutory hold period under the Securities Laws which extends beyond four months and one day after the Closing Date in accordance with and subject to the conditions set out in NI 45-102;
- (w) the execution and delivery of each of the Transaction Documents, the performance by the Corporation of its obligations hereunder or thereunder, the issue and sale of the Units hereunder and the consummation of the transactions contemplated in this Agreement, including the issuance and delivery of the Common Shares and Warrants comprising the Units and the Compensation Units, the Compensation Warrants and the Warrant Shares issuable upon exercise of the Warrants, do not and will not conflict with or result in a material 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): (A) any statute, rule or regulation applicable to the Corporation including, without limitation, the Securities Laws; (B) the constating documents, by-laws or resolutions of the Corporation which are in effect at the date hereof; (C) any Debt Instrument, Material Agreement, contract, agreement, instrument, lease or other document to which the Corporation is a party or by which it is bound; or (D) any judgment, decree or order binding the Corporation or the property or assets of the Corporation;
- (x) at the Closing Time, each of the Transaction Documents shall have been duly authorized and executed and delivered by the Corporation and upon such execution and delivery each shall constitute a valid and binding obligation of the Corporation and each shall be enforceable against the Corporation in accordance with its 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;

- (y) at the Closing Time, all necessary corporate action will have been taken by the Corporation to allot and authorize the issuance of the Warrant Shares and, when issued in accordance with the terms of the Warrants will be outstanding as fully paid and non-assessable Common Shares of the Corporation, and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement;
- (z) the outstanding Common Shares are listed and posted for trading on the CSE and OTCQB, and all necessary notices and filings have been made with, and all necessary consents, approvals and authorizations have been obtained by the Corporation from, the CSE and the and OTCQB to ensure that (i) the Common Shares, (ii) the Warrant Shares, issuable upon due exercise of the Warrants, (iii) the Common Shares partially comprising the Compensation Units issuable upon the due exercise of the Compensation Warrants, and (iv) the Common Shares issuable upon the due exercise warrants partially comprising the Compensation Units will be listed and posted for trading on the CSE and OTCQB upon their issuance;
- (aa) 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, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority;
- (bb) the audited comparative consolidated financial statements of the Corporation and its Subsidiaries as at and for the year ended December 31, 2016 and the unaudited interim consolidated financial statements of the Corporation as at and for the three month period ended September 30, 2017 (collectively, the “**Financial Statements**”) have been prepared in accordance with IFRS, contain no misrepresentations and present fairly, in all material respects, the financial condition of the Corporation and its Subsidiaries on a consolidated basis as at the date thereof and the results of the operations and cash flows of the Corporation and its Subsidiaries on a consolidated basis for the period then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation and its Subsidiaries on a consolidated basis 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 December 31, 2016;
- (cc) there are no material liabilities of the Corporation and its Subsidiaries whether direct, indirect, absolute, contingent or otherwise required to be disclosed in the Financial Statements which are not disclosed or reflected in the Financial Statements except those disclosed in the Disclosure Documents or those incurred in the ordinary course of business since September 30, 2017;
- (dd) there are no off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Corporation or any Subsidiary with unconsolidated entities or other persons that could reasonably be expected to have a Material Adverse Effect;
- (ee) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers’ compensation payments, property taxes, sales taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, reassessments,

deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "Taxes") due and payable by the Corporation and the Subsidiaries have been paid or accrued, except where the failure to pay such Taxes would not constitute an adverse material fact in respect of the Corporation or the Subsidiaries or have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Corporation and 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, except where the failure to file such documents would not constitute an adverse material fact in respect of the Corporation or the Subsidiaries or have a Material Adverse Effect. Other than as disclosed in writing to the Underwriter, to the knowledge of the Corporation, no examination of any tax return of the Corporation 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 the Subsidiaries, in any case except where such examinations, issues or disputes would not constitute an adverse material fact in respect of the Corporation or have a Material Adverse Effect;

- (ff) the Corporation: (A) has designed disclosure controls and procedures to provide reasonable assurance that financial information relating to the Corporation and the Subsidiaries is accurate and reliable, is made known to the Chief Executive Officer and Chief Financial Officer of the Corporation by others within those entities, particularly during the period in which filings are being prepared; (B) has designed internal controls to provide reasonable assurance regarding the accuracy and reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS; and (C) has disclosed in the management's discussion and analysis for its most recently completed financial year, for each material weakness relating to such design existing at the financial year-end (x) a description of the material weakness, (y) the impact of the material weakness on the Corporation's financial reporting and internal controls over financial reporting, and (z) the Corporation's further plans, if any, or any actions already undertaken, for remediating the material weakness;
- (gg) 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;
- (hh) other than as disclosed in the Disclosure Documents, there are no material liabilities of the Corporation or its Subsidiaries, whether direct, indirect, absolute, contingent or otherwise, and none of the Corporation nor its Subsidiaries are party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument and does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, members officers, directors or employees, past or present, or any person not dealing at arm's length with the Corporation or its Subsidiaries (as such term is defined in the Tax Act). None of the Corporation nor its Subsidiaries has guaranteed the obligations of any person, except that the Corporation has guaranteed the obligations of certain of its Subsidiaries with respect to their obligations under the leases or subleases for certain of the Leased



Premises and certain of the Subsidiaries have guaranteed the obligations of the Corporation under secured debentures issued on November 2, 2017.

- (ii) the Corporation's auditor, who audited the Financial Statements and who provided their audit report thereon, is an independent public accountant 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 auditor;
- (jj) during the previous 12 months, the Corporation has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or securities or agreed to do any of the foregoing. There is not, in the constating documents, articles or in any Debt Instrument, Material Agreement or other agreement or instrument to which the Corporation is a party, any restriction upon or impediment to, the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of its Common Shares;
- (kk) except as set out in the Disclosure Documents, no legal or governmental proceedings or inquiries are pending to which the Corporation or any of the Subsidiaries is a party or to which their property or assets are subject that would result in the revocation or modification of any certificate, authority, permit or license necessary to conduct the business now owned or operated by the Corporation or any of the Subsidiaries which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect and, to the knowledge of the Corporation, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to the Corporation, the Subsidiaries or their property or assets;
- (ll) the assets of each of the Corporation and the Subsidiaries and their businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and none of the Corporation or the Subsidiaries has breached the terms of any policies in respect thereof in any material respect or failed to promptly give any notice or present any material claim thereunder;
- (mm) each of the Corporation and its Subsidiaries owns or has all proprietary rights provided in law and at equity to all patents, trademarks, copyrights, industrial designs, software, trade secrets, know-how, concepts, information and other intellectual and industrial property (collectively, "**Intellectual Property**") necessary to permit the Corporation and its Subsidiaries to conduct its business as currently conducted. Neither the Corporation nor any of its Subsidiaries has received any notice nor does the Corporation or any of its Subsidiaries have knowledge of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of the Corporation or its Subsidiaries therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy would have a Material Adverse Effect;

- (nn) each of the Corporation and the Subsidiaries has taken all reasonable steps to protect its Intellectual Property in those jurisdictions where, in the reasonable opinion of the Corporation and/or each Subsidiary carries on a sufficient business to justify such filings;
- (oo) to the knowledge of the Corporation, there are no material restrictions on the ability of the Corporation and each Subsidiary to use and explore all rights in the Intellectual Property required in the ordinary course of the business of the Corporation and each Subsidiary, as applicable. None of the rights of the Corporation and each Subsidiary in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;
- (pp) neither the Corporation nor any Subsidiary has received any notice or claim (whether written, oral or otherwise) challenging its ownership or right to use of any Intellectual Property or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto, nor to the knowledge of the Corporation, is there a reasonable basis for any claim that any person other than the Corporation or a Subsidiary has any claim of legal or beneficial ownership or other claim or interest in any Intellectual Property;
- (qq) other than in respect of certain United States federal laws relating to the cultivation, distribution or possession of marijuana in the United States as disclosed in the Disclosure Documents, there are no material restrictions on the ability of the Corporation or its Subsidiaries to use and exploit all rights in the Intellectual Property required in the ordinary course of the business of the Corporation and its Subsidiaries. None of the rights of the Corporation or its Subsidiaries in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;
- (rr) all registrations of Intellectual Property are in good standing and are recorded in the name of the Corporation or a Subsidiary in the appropriate offices to preserve the rights thereto. Other than as would not have a Material Adverse Effect, all such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements. No registration of Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained, except where such expiration, abandonment cancellation, expungement or lapse would not have a Material Adverse Effect;
- (ss) any and all of the Material Agreements and other material documents and instruments pursuant to which any of the Corporation and/or a Subsidiary holds the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof, none of the Corporation nor a Subsidiary 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 under the applicable statutes and regulations of the jurisdictions in which they are situated, all material leases, licences and other agreements pursuant to which the Corporation or a Subsidiary derives the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or

agreement. None of the properties (or any interest in, or right to earn an interest in, any property) of the Corporation or a Subsidiary is subject to any right of first refusal or purchase or acquisition right;

- (tt) other than as disclosed in the Disclosure Documents, 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 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 which, as the case may be, materially affects, is material to or will materially affect the Corporation or any Subsidiary, except as disclosed in the Financial Statements or related management's discussion and analysis;
- (uu) the Corporation is not party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation or any Subsidiary;
- (vv) none of the Corporation or any of the Subsidiaries is a party to, bound by or, to the knowledge of the Corporation, affected by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of the Corporation or any of its Subsidiaries to compete in any line of business, transfer or move any of its respective assets or operations or which adversely materially affects the business practices, operations or condition of the Corporation or any of its Subsidiaries;
- (ww) the authorized capital of the Corporation consists of an unlimited number of Common Shares, of which, as at the date hereof (prior to the completion of the Offering), 505,956,288 Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Corporation, 106,611,776 warrants are issued and outstanding, \$160,000 of secured convertible debentures of the Corporation that were issued in October and November 2016 are issued and outstanding, \$20,740,000 of secured convertible debentures of the Corporation that were issued on November 2, 2017 are issued and outstanding and 46,360,000 options are issued and outstanding. Other than as disclosed in this paragraph, there are no outstanding rights, warrants, options, convertible debt or any other securities or rights capable of being converted into, or exchanged or exercised for, any Common Shares of the Corporation;
- (xx) TSX Trust Company at its principal offices in Toronto, Ontario, has been duly appointed as registrar and transfer agent for the Common Shares and will be, as of the Closing Date;
- (yy) Alliance Trust Company at its principal offices in Calgary, Alberta, has been duly appointed as Warrant Agent under the Warrant Indenture;
- (zz) the issue of the Common Shares and Warrants comprising the Units and the Compensation Units, the Compensation Warrants and the Warrant Shares will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Corporation or to which the Corporation is subject that has not been waived. No holder of outstanding Common Shares is at the Closing Time or will be

following the Closing Time entitled to any pre-emptive or any similar rights to subscribe for any Common Shares or other securities of the Corporation;

- (aaa) with respect to each of the Leased Premises, the Corporation and the Subsidiaries, as applicable, occupy 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 or a Subsidiary, as applicable, occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such leases or result in any additional or more onerous obligations under such leases;
- (bbb) none of the Corporation or any of the Subsidiaries is and has ever been in material violation of, in connection with the ownership, use, maintenance or operation of the property and assets thereof, any Environmental Laws;
- (ccc) the Corporation and the Subsidiaries have all Environmental Permits and are in compliance with any material requirements thereof;
- (ddd) there are no pending or, to the knowledge of the Corporation, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against the Corporation or any of its Subsidiaries, which if determined adversely, would reasonably be expected to have a Material Adverse Effect;
- (eee) the Corporation and the Subsidiaries have not used the Leased Premises or any facility which it previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Materials;
- (fff) as of the date hereof, there are no past unresolved, pending or threatened claims, complaints, notices or requests for information with respect to any alleged violation of any law, statute, order, regulation, ordinance or decree and no conditions exist at, on or under any Leased Premises which, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree that, individually or in the aggregate, has or may reasonably be expected to have a Material Adverse Effect with respect to the Corporation or the Subsidiaries;
- (ggg) there are no material environmental audits, evaluations, assessments, studies or tests relating to the Leased Property;
- (hhh) the Corporation does not have any knowledge of any claim or basis for any claim that might or could adversely affect the right of the Corporation or the Subsidiaries to use, transfer or otherwise exploit the Leased Properties pursuant to their licenses and permits in the ordinary course of their respective businesses;
- (iii) other than as disclosed in the Disclosure Documents, the Corporation is not aware of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Corporation or the

Subsidiaries presently in force or, to its knowledge, proposed to be brought into force, or any pending or contemplated change to any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Corporation or any Subsidiary presently in force, that the Corporation anticipates the Corporation or any Subsidiary will be unable to comply with or which could reasonably be expected to materially adversely affect the business of the Corporation or a Subsidiary or the business environment or legal environment under which such entity operates;

- (jii) the Corporation and each Subsidiary is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not reasonably be expected to have a Material Adverse Effect;
- (kkk) none of the Corporation or any Subsidiary, any employee or agent thereof, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, governmental officer or official, or other Person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws;
- (lll) all information which has been prepared by the Corporation relating to the Corporation, the Subsidiaries and their respective business, properties and liabilities and made available 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, does not contain a misrepresentation and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (mmm) the Corporation has not withheld from the Underwriter of any material fact relating to the Corporation, any Subsidiary or to the Offering;
- (nnn) the minute books and corporate records of the Corporation and the Subsidiaries for the period from incorporation or formation to the date hereof made available to the Underwriter contain copies of all proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, members and the directors (or any committee thereof) thereof and there have been no other meetings, resolutions or proceedings of the shareholders, members or directors of the Corporation or the Subsidiaries to the date hereof not reflected in such corporate records, other than those which are not material to the Corporation or the Subsidiaries, as the case may be;
- (ooo) 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;
- (ppp) other than the Corporation, there is no person that is or will be entitled to demand the proceeds of this Offering under the terms of any agreement or instrument to which the Corporation is party (including any Debt Instrument or Material Agreement) or otherwise;

- (qqq) the Corporation has provided the Underwriter with copies of all requested material documents and correspondence relating to the licences issued pursuant to the Control and Regulation of Marijuana Act (Ballot Measure 91 (2014), as amended, set forth in ORS §§475B.010 through 475B.395, and in OARs §§845-025-1000 through 845-025-8750 as promulgated by the Oregon Liquor Control Commission, as applicable, to the Subsidiaries (the “**Oregon Licences**”). Except as disclosed in the Disclosure Documents, the Subsidiaries are each in compliance with the terms and conditions of all such Oregon Licences and all other licences required in connection with their respective businesses and the Corporation does not anticipate any variations or difficulties in renewing such Oregon Licences or any other required licence or permit. The Offering (including the proposed use of proceeds) will not have any adverse impact on the Oregon Licences or require any of the Subsidiaries, as applicable, to obtain any new licence;
- (rrr) the Corporation has provided the Underwriter with copies of all requested material documents and correspondence relating to the medical marijuana establishment licenses issued pursuant to Nevada Revised Statutes 453A.010 through 453A.810, and the regulations set forth in Nevada Administrative Code 453A.010 through 453A.720, as promulgated by the Nevada Department of Health and Human Services, Division of Public and Behavioral Health, as applicable (the “**Medical Establishment Licenses**”). Additionally, the Corporation has provided the Underwriter with copies of all requested material documents and correspondence relating to the retail marijuana establishment licenses issued pursuant to Nevada Revised Statutes 453D.010 through 453D.600, including any temporary or emergency regulations promulgated by the Nevada Department of Taxation, as applicable (the “**Retail Establishment Licenses**” and collectively with the Medical Establishments Licenses, the “**Nevada Licenses**”). The Subsidiaries are each in compliance with the terms and conditions of all such Nevada Licenses and all other licenses required in connection with their respective businesses and the Corporation does not anticipate any variations or difficulties in renewing such Nevada Licenses or any other required license or permit. The Offering (including the proposed use of proceeds) will not have any adverse impact on the Nevada Licences or require any of the Subsidiaries, as applicable, to obtain any new licence;
- (sss) neither the Corporation or any Subsidiary has received any notice or communication from any customer or Health Canada or any applicable regulatory authority in the United States or any state or municipality thereof alleging a defect or claim in respect of any products supplied or sold by the Corporation or any Subsidiary to a customer and, to the Corporation’s knowledge, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications that are required to be made by the Corporation or any in respect of any products supplied or sold by the Corporation or any Subsidiary;
- (ttt) all product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Corporation and each Subsidiary in connection with their business is being conducted in accordance with best industry practices and in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects;

- (uuu) each of the Corporation and each Subsidiary has security measures and safeguards in place to protect personal information it collects from registered patients and customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Corporation and the Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and none has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation and the Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse; and
- (vvv) other than in respect of certain United States federal laws relating to the cultivation, distribution or possession of marijuana in the United States as disclosed in the Disclosure Documents, neither the Corporation nor any Subsidiary, nor, to the Corporation's knowledge, any of their affiliates, directors or officers or any agents, employee or affiliate of the Corporation or any Subsidiary, is aware of or has taken any action, directly or indirectly, that could result in a violation by such Persons of applicable laws relating to terrorism, money laundering and proceeds of crime, including the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act of 1977* (United States), as amended, and the rules and regulations thereunder or any other similar anticorruption law to which the Corporation or any Subsidiary may be subject (collectively, the "Acts"), including, without limitation, making any bribe, rebate, payoff, influence payment, kickback or other unlawful payment or making use of the mails or any means or instrumentality of interstate commerce in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value or benefit to any "foreign official" or "public official" (as such terms are defined in the applicable Acts) or any foreign political party or official thereof or any candidate for foreign political office, or any third party or any other Person to the benefit of the foregoing, in contravention of the Acts, and the Corporation, each Subsidiary, and their affiliates have conducted their businesses in compliance with the Acts and will implement and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, compliance therewith;
- (www) the Corporation has provided the Underwriter with copies of all material documents and correspondence relating to the licences issued pursuant to the Access to Cannabis for Medical Purposes Regulations (the "**ACMPR Licences**") to the Corporation and any Subsidiary. The Corporation and its Subsidiaries are in compliance with the terms and conditions of all such ACMPR Licences and all other licences required in connection with their respective businesses and the Corporation does not anticipate any variations or difficulties in renewing such ACMPR Licences or any other required licence or permit;
- (xxx) as of the date hereof, the Corporation is a "foreign private issuer" as defined in Rule 405 under the U.S. Securities Act and Regulation S; and
- (yyy) to the knowledge of the Corporation, the operations of the Corporation and each Subsidiary 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* (United States), as amended; Executive Order No. 13224 on Terrorist Financing (United States), effective September 24, 2001 (the “**Executive Order**”); the *Foreign Corrupt Practices Act of 1977* (United States), as amended; the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (United States), and the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), and neither of the Corporation nor any Subsidiary 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 Laws; (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 court or governmental agency, authority or body or any arbitrator involving the Corporation or the Subsidiary with respect to Anti-Terrorism Laws is pending or, to the knowledge of the Corporation or any Subsidiary, threatened.

(2) **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, that:

- (a) the Underwriter is duly incorporated and is in good standing in its jurisdiction of incorporation, has all requisite corporate power and authority to enter into and carry out its obligations under this Agreement and is duly licensed and registered under applicable Canadian Securities Laws to conduct the activities contemplated by this Agreement.
- (b) in respect of the offer and sale of the Units to Purchasers (including the Substituted Purchasers), the Underwriter will, and will require any Selling Firm (if any) and will cause the U.S. Placement Agent to agree to comply with applicable Securities Laws and the applicable Securities Laws of the Offering Jurisdictions outside of Canada in connection with the Offering, and will only offer the Units for sale to Substituted Purchasers on a “private placement” basis directly, and if deemed appropriate by the Underwriter, through Selling Firms, upon the terms and conditions of this Agreement;
- (c) the Underwriter and the U.S. Placement Agent have not and will not, and the Underwriter has required and will require any Selling Firm to agree not to, directly or indirectly, offer, sell or solicit offers to purchase or sell the Units so as to require the filing of a prospectus or registration statement or offering memorandum or similar document with respect thereto or the provision of a contractual right of action (as defined in Ontario Securities Commission Rule 14-501 – *Definitions*) or a statutory right of action under the laws of any jurisdiction;



- (d) the Underwriter and the U.S. Placement Agent have not and will not, and the Underwriter has required and will require any Selling Firm to agree not to, solicit subscriptions for Units except in accordance with the terms and conditions of this Agreement; and
- (e) the Underwriter will use its commercially reasonable best efforts to obtain a duly completed and executed Subscription Agreement (in the applicable form) from each Purchaser along with all other applicable forms, reports, undertakings and/or documentation required under applicable Securities Laws relating to the issuance and sale of the Units.

## **Section 5 Closing Deliveries**

The purchase and sale of the Units shall be completed at the Closing Time at the offices of Cassels Brock & Blackwell LLP in Toronto, Ontario or at such other place as the Underwriter and the Corporation may agree upon in writing. At the Closing Time, the Corporation shall issue and deliver the Compensation Warrants Certificates to the Underwriter, and shall issue the Common Shares and the Warrants comprising the Units, by way of book-entry securities in accordance with the “non-certificated inventory” rules and procedures of CDS, and shall direct CDS to credit the Units to the accounts of participants of CDS as designated by the Underwriter or by delivery of one or more physical certificates in definitive form to be registered in the name of “CDS & Co.” or such other name or names as the Underwriter may direct in writing, against payment to the Corporation by the Underwriter of the aggregate Issue Price (less the Underwriter’s Commission and all estimated expenses and fees pursuant to this Agreement) therefor, in lawful money of Canada by certified cheque or bank draft or by electronic money transfer to be released upon the satisfaction of the conditions set forth in Section 6 of this Agreement. The Corporation shall cause all physical certificates being delivered at the Closing Time to be delivered to the Underwriter in Toronto or as otherwise directed by the Underwriter.

## **Section 6 Closing Conditions**

- (1) The Underwriter’s obligations under this Underwriting Agreement (including the obligation to complete the purchase of the Units or to arrange for the Purchasers to purchase the Units on its behalf) at the Closing Time shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:
  - (a) the Underwriter shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, or such other officers of the Corporation as the Underwriter may agree, certifying for and on behalf of the Corporation, to the best of the knowledge, information and belief of the persons so signing, after due inquiry, but without personal liability, that:
    - (i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation (including the Common Shares in the capital of the Corporation) or prohibiting the issue and sale of the Units or Compensation Warrants or any of the Corporation’s issued securities 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 are contemplated or threatened by any regulatory authority;

- (ii) since September 30, 2017: (A) there has been no material adverse change (actual, proposed or prospective, whether financial or otherwise) in the business, prospects, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation; and (B) no material transactions have been entered into by the Corporation other than in the ordinary course of business except as otherwise disclosed in the Disclosure Documents;
  - (iii) the Corporation has complied in all material respects (except where already qualified by a materiality or Material Adverse Effect qualification, in which case the Corporation has complied in all respects) with all the terms, covenants and satisfied in all material respects (except where already qualified by a materiality or Material Adverse Effect qualification, in which case the Corporation has satisfied in all respects) all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time; and
  - (iv) the representations and warranties of the Corporation contained in this Agreement and any certificate of the Corporation delivered hereunder are true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as at the Closing Time, with the same force and effect as if made on and as at the Closing Time;
- (b) the Underwriter shall have received 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 otherwise pertaining to the 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;
  - (c) the Underwriter shall have received a certificate of compliance (or equivalent) with respect to the jurisdiction in which the Corporation and each Subsidiary is in existence, as the case may be;
  - (d) the Underwriter shall have received satisfactory evidence that all requisite approvals have been obtained by the Corporation in order to complete the Offering;
  - (e) the Transaction Documents shall have been executed and delivered by the Corporation and in form and substance satisfactory to the Underwriter, acting reasonably;
  - (f) the Underwriter shall have received a certificate from TSX Trust Company as to the number of Common 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 counsel to the Corporation with respect to the following matters:
    - (i) as to the incorporation and valid existence of the Corporation;

- (ii) as to the authorized and issued share capital of the Corporation;
- (iii) that the Corporation is a reporting issuer under applicable Securities Laws in each of the provinces of British Columbia, Alberta and Ontario and is not on the list of defaulting issuers maintained under such legislation;
- (iv) the corporate power and capacity of the Corporation to carry on its business as presently carried on and to own, lease and operate its properties and assets and, solely in respect of the Corporation, to carry out its obligations under the Transaction Documents and to issue the Common Shares and the Warrants comprising the Units and the Compensation Warrants;
- (v) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of the Transaction Documents the performance by the Corporation of its obligations hereunder and thereunder and the issuance of the Common Shares and Warrants comprising the Units and the Compensation Warrants;
- (vi) each of the Transaction Documents has been duly authorized and executed and delivered by the Corporation and constitutes a valid and legally binding agreement of the Corporation enforceable against it in accordance with its terms;
- (vii) the execution and delivery of the Transaction Documents, the performance by the Corporation of its obligations hereunder and thereunder and the issuance and sale of the Common Shares and Warrants comprising the Units and the Compensation Warrants does 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, (A) any statute, rule or regulation applicable to the Corporation; or (B) the constating documents of the Corporation;
- (viii) the Common Shares comprising the Units have been duly authorized, validly created and issued as fully paid and non-assessable shares in the capital of the Corporation;
- (ix) and Warrants comprising the Units have been validly created, executed and issued by the Corporation;
- (x) the Warrant Shares issuable upon the exercise of the Warrants (including any warrants issuable upon exercise of the Compensation Warrants), have been authorized and allotted for issuance to the Purchasers and the Underwriter (as the case may be) and, upon their issuance in accordance with the terms of the Warrant Indenture, will have been validly issued as fully paid and non-assessable Common Shares in the capital of the Corporation;
- (xi) the issuance and sale by the Corporation of the Common Shares and Warrants comprising the Units to the Purchasers resident in the Offering Jurisdictions in accordance with the terms of the Subscription Agreements and the issuance of the Compensation Warrants and the Common Shares and Warrants comprising the Compensation Units upon the exercise of the Compensation Warrants to the Underwriter in accordance with the terms of this Agreement, is exempt from the prospectus requirements of applicable Securities Laws and no documents are

required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under applicable Securities Laws to permit such issuance and sale, subject only to the filing of the requisite forms under applicable Securities Laws;

- (xii) the issuance of the Warrant Shares by the Corporation upon the exercise of the Warrants (including any warrants issuable upon exercise of the Compensation warrants) is exempt from the prospectus requirements of applicable Securities Laws and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under applicable Securities Laws to permit such issuance and sale, subject only to the filing of the requisite forms under applicable Securities Laws;
- (xiii) the first trade in the Common Shares and Warrants comprising the Units and the Compensation Units, the Compensation Warrants and the Warrant Shares being exempt from the prospectus requirements of applicable Securities Laws and no prospectus, offering memorandum or other document is required to be filed, no proceeding is required to be taken and no approval, permit, consent or authorization of regulatory authorities is required to be obtained by the Corporation under applicable Securities Laws to permit such trade through registrants registered under applicable Securities Laws who have complied with such laws and the terms and conditions of their registration, provided that at the time of such trade:
  - (A) the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;
  - (B) at least four months have elapsed from the “distribution date” (as defined in NI 45-102) of the Units and the Compensation Warrants;
  - (C) the certificate or certificates, if any, evidencing the Common Shares and Warrants comprising the Units and the Compensation Units, and the Compensation Warrants (and if any Warrant Shares have been issued upon the exercise of the Warrants before June 1, 2018 the certificate or certificates evidencing such securities (if any)), carry a legend stating that, “Unless permitted under securities legislation, the holder of this security must not trade the security before June 1, 2018”;
  - (D) if the securities being traded are entered into a direct registration or other electronic book-entry system, or if the securityholder did not directly receive a certificate or certificates representing the securities being traded, the securityholder received written notice containing the legend restriction notation set out in subsection (C) above;
  - (E) the trade is not a “control distribution” (as defined in NI 45-102);

- (F) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade;
  - (G) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
  - (H) if the selling security holder is an insider or officer of the Corporation, the selling securityholder has no reasonable grounds to believe that the Corporation is in default of “securities legislation” (as defined in National Instrument 14-101 – Definitions and Interpretation);
- (xiv) the form and terms of the Common Shares and Warrants comprising the Units and the Compensation Units, the Compensation Warrants and the Warrant Shares have been approved by the board of directors of the Corporation;
  - (xv) TSX Trust Company at its principal offices in Toronto, Ontario, has been duly appointed as registrar and transfer agent for the Common Shares; and
  - (xvi) Alliance Trust Company at its principal offices in Calgary, Alberta, has been duly appointed as Warrant Agent under the Warrant Indenture;
- (h) the Underwriter shall have received legal opinions addressed to the Underwriter, in form and substance satisfactory to the Underwriter, acting reasonably, dated as of the Closing Date, from counsel to each Subsidiary with respect to the following matters:
    - (i) the incorporation and subsistence of the Subsidiary;
    - (ii) the power and capacity of the Subsidiary to carry on its business as presently carried on, to own, lease and operate its properties and assets; and
    - (iii) the authorized and issued share capital or membership interests, as applicable, for the Subsidiary and the ownership of the outstanding share capital or membership interests, as applicable, for the Subsidiary.
  - (i) the Underwriter shall have received legal opinions addressed to the Underwriter, in form and substance satisfactory to the Underwriter, acting reasonably, dated as of the Closing Date from counsel to the Corporation and each Subsidiary (excluding Greenpoint Holdings Delaware, Inc.) regarding the compliance of the Corporation and each Subsidiary (excluding Greenpoint Holdings Delaware, Inc.) with applicable United States state laws relating to the manufacture, cultivation, importation, possession, sale or distribution of cannabis;
  - (j) if any Units are sold to Purchasers in the United States, the Underwriter receiving, at the Closing Time, a legal opinion dated the Closing Date, addressed to the Underwriter, in form and substance acceptable to the Underwriter, acting reasonably, of United States legal counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers of the Corporation, public and exchange officials or the auditors or transfer agent of the Corporation), to the effect that the offer and sale of the Units in the United States and the issuance of the Warrant Shares issuable upon exercise of the Warrants, are not required to be registered under the

U.S. Securities Act, provided such offers and sales are made in accordance with Schedule “A” hereto; it being understood that such counsel need not express its opinion with respect to any resale of the Warrants (or the Warrant Shares issuable upon the exercise thereof);

- (k) the Underwriter shall have been satisfied, in its sole discretion, with the results of its due diligence review of the Corporation and the Subsidiaries and their respective businesses, operations and financial conditions and market conditions at the Closing Time; and
- (l) the Underwriter shall have received the lock-up agreements required pursuant to **Error! Reference source not found.**(o) hereof.

## **Section 7      Rights of Termination**

- (1) All terms and conditions set out in this Agreement will be construed as conditions, and any breach or failure by the Corporation to comply with any such conditions in favour of the Underwriter in any material respect will entitle the Underwriter to terminate its obligations to purchase the Units pursuant to the Offering by written notice to that effect given to the Corporation prior to the Closing Time. The Corporation will use commercially reasonable best efforts to cause all conditions in this Agreement to be satisfied. It is understood that the Underwriter may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any subsequent breach or non-compliance, provided that, to be binding on an Underwriter, any such waiver or extension must be in writing and signed by such Underwriter.
- (2) In addition to any other remedies which may be available to the Underwriter in respect of any default, act or failure to act, or non-compliance with the terms of this Agreement by the Corporation, the Underwriter will be entitled, at its option, to terminate and cancel, without any liability on the part of the Underwriter, its obligations under this Agreement to purchase the Units pursuant to the Offering by giving written notice to the Corporation at any time prior to the Closing Time:
  - (a) if any inquiry, action, suit, investigation or other proceeding (whether formal or informal), 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 any enactment or change in any law, rule or regulation, or the interpretation or administration thereof, which, in the reasonable opinion of the Underwriter, has or could operate to prevent, restrict or otherwise seriously adversely affect the distribution or trading of the Units or the market price or value of the Common Shares;
  - (b) if 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, political or economic occurrence of national or international consequence, or any action, government, law, regulation, inquiry or other occurrence of any nature, 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 United States or the business, operations or affairs of the Corporation and the Subsidiaries, taken as a whole, or the marketability of the Units;

- (c) if there shall occur or come into effect any material change in the business, affairs, financial condition, prospects, capital or control of the Corporation and its subsidiaries, taken as a whole, or any change in any material fact or new material fact, or there should be discovered any previously undisclosed fact which, in each case, in the reasonable opinion of the Underwriter, has or could reasonably be expected to have a significant adverse effect on the market price or value or marketability of the Units;
- (d) if the Corporation is in breach in any material respect of any term, condition or covenant of this Agreement (except where already qualified by a materiality or Material Adverse Effect qualification, in which case if the Corporation is in breach in any respect) or any representation or warranty given by the Corporation becomes or is false in any material respect (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in any respect); or
- (e) any order shall have been made or threatened to cease or suspend trading in the Common Shares, or to otherwise prohibit or restrict in any manner the distribution or trading of the Common Shares, or proceedings are announced or commenced for the making of any such order by any securities regulatory authority or similar regulatory or judicial authority.

#### **Section 8 Exercise of Termination Rights**

- (1) The rights of termination contained in Section 7 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. If the obligations of the Underwriter are terminated under this Agreement pursuant to the termination rights provided for in Section 7, the Corporation's liabilities to the Underwriter shall be limited to the Corporation's obligations under the indemnity, contribution and expense provisions of this Agreement.

#### **Section 9 Survival of Representations and Warranties**

All terms, warranties, representations, covenants, indemnities and agreements herein contained or contained in any documents delivered pursuant to this Agreement 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, regardless of the Closing of the Offering and of any investigations carried out by the Underwriter or on their 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 for a period ending on the date that is two years from the Closing Date. For greater certainty, the provisions contained in this Agreement in any way related to indemnification or the contribution obligations shall survive and continue in full force and effect, indefinitely. In this regard, the Underwriter shall act as trustees for the Purchasers and accept these trusts and shall hold and enforce such rights on behalf of the Purchasers.

#### **Section 10 Indemnity**

- (1) The Corporation shall indemnify and hold harmless the Underwriter, each of its subsidiaries and affiliates and each of their directors, officers, employees, partners, agents, shareholders, each other person, if any, controlling the Underwriter, or any of its subsidiaries and affiliates (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”), from and against any and all losses, expenses, claims (including shareholder actions, derivative or

otherwise), actions, damages and liabilities, joint or several, including without limitation the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel but not including any amount for lost profits (collectively, the “**Losses**”) that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the “**Claims**”) insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the Offering, whether performed before or after the Corporation’s execution of this Agreement and including, without limitation, any Claim in respect of any right of first refusal granted by the Corporation prior to the execution of this Agreement. The Corporation agrees to waive any right the Corporation may 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 also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Corporation or any person asserting Claims on behalf of or in right of the Corporation for or in connection with the Offering (whether performed before or after the Corporation’s execution of this Agreement). The Corporation will not, without the prior written consent of the Underwriter, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought under this indemnity (whether or not any Indemnified Party is a party to such Claim) unless the Corporation has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.

- (2) Promptly after receiving notice of a Claim against the Underwriter or any other 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 Underwriter or any such other Indemnified Party will notify the Corporation in writing of the particulars thereof, provided that the omission so to notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to any Indemnified Party unless (and only to the extent that) such failure results in forfeiture by the Corporation of substantive rights or defences.
- (3) The Corporation shall have 14 days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defense of the Claim. If the Corporation undertakes, conducts or controls the settlement or defense of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defense of the Claim.
- (4) The Corporation also agrees to reimburse the Indemnified Parties for the time spent by their personnel in connection with any Claim at their normal per diem rates. The Indemnified Parties may retain counsel to separately represent the Indemnified Parties in the defense of a Claim, which shall be at the Corporation’s expense if: (i) the Corporation does not promptly assume the defense of the Claim no later than 14 days after receiving actual notice of the Claim (as set forth above); (ii) the Corporation agrees to separate representation of the Indemnified Parties; or (iii) the Indemnified Parties are advised by counsel that there is an actual or potential conflict in the Corporation’s and the Indemnified Parties’ respective interests or additional defenses are available to the Indemnified Parties, which makes representation by the same counsel



inappropriate, provided that, in no event shall the Corporation be responsible for the fees of more than one separate counsel for all Indemnified Parties in any single jurisdiction.

- (5) The Corporation hereby constitutes the Underwriter as trustee for each of the other Indemnified Parties of the Corporation's covenants under this indemnity with respect to those persons and the Underwriter agree to accept that trust and to hold and enforce those covenants on behalf of those persons.
- (6) The obligations of the Corporation hereunder are in addition to any liabilities which the Corporation may otherwise have to the Underwriter or any other Indemnified Party.
- (7) The foregoing indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable has determined that such Losses to which the Indemnified Party may be subject were caused solely by the intentional fault or willful misconduct of the Indemnified Party and in such instance, such Indemnified Party shall reimburse any funds advanced by the Corporation to the Indemnified Party pursuant to the foregoing indemnity in respect of such Claim.

#### **Section 11 Contribution**

- (1) In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 10 (other than in accordance with the terms hereof) would otherwise be available in accordance with its terms but is unavailable to the Underwriter or the Indemnified Parties or insufficient to hold them harmless in respect of a Claim, the Corporation shall contribute to the amount paid or payable by the Underwriter or the other Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Underwriter or any other Indemnified Party on the other hand but also the relative fault of the Corporation, the Underwriter or any other Indemnified Party as well as any relevant equitable considerations; provided that the Corporation shall in any event contribute to the amount paid or payable by the Underwriter or any other Indemnified Party as a result of such Claim any excess of such amount over the amount of the fees received by the Underwriter under this Agreement.

#### **Section 12 Expenses**

Whether or not the Offering is completed, the Corporation shall be responsible for all reasonable expenses of the Offering, including but not limited to: the fees and disbursements of its accountants and auditors, technical consultants, translators and other applicable experts; all of its costs and expenses related to roadshows and marketing activities, printing, filing, issue, sale and distribution, stock exchange approval and other regulatory compliance; the reasonable out-of-pocket expenses of the Underwriter (including, but not limited to, travel expenses in connection with due diligence and marketing activities, and fees and disbursements of the Underwriter's legal counsel; and all taxes payable in respect of any of the foregoing). All such fees, disbursements and expenses shall be payable by the Corporation immediately upon receiving an invoice therefor from the Underwriter, or at the option of the Underwriter, may be deducted from the gross proceeds of the Offering otherwise payable by the Underwriter to the Corporation at the Closing of the Offering.

#### **Section 13 Advertisements**

The Corporation acknowledges that the Underwriter shall have the right after Closing, at their 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 legislation 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.

#### **Section 14     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:

Golden Leaf Holdings Ltd.  
82 Richmond Street East  
Toronto, Ontario  
M5C 1P1

Attention:     William Simpson, Chief Executive Officer  
Email: [william@chalicefarms.com](mailto:william@chalicefarms.com)

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

Cassels Brock & Blackwell LLP  
Scotia Plaza, Ste. 2100  
40 King Street West  
Toronto, Ontario M5H 3C2

Attention:     Greg Hogan  
Email:            [ghogan@casselsbrock.com](mailto:ghogan@casselsbrock.com)

- (b)     if to the Underwriter, to:

Canaccord Genuity Corp.  
161 Bay Street, Suite 3000  
Toronto, Ontario M5J 2S1

Attention:     Steve Winokur  
E-Mail:         [swinokur@canaccordgenuity.com](mailto:swinokur@canaccordgenuity.com)

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

DLA Piper (Canada) LLP  
Suite 6000, 1 First Canadian Place  
PO Box 367, 100 King St West  
Toronto, Ontario  
M5X 1E2

Attention: Derek Sigel  
Email: [derek.sigel@dlapiper.com](mailto:derek.sigel@dlapiper.com)

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 e-mail transmission to the addressee and: (i) a notice which is personally delivered shall, if delivered on a Business Day, 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 e-mail transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

**Section 15 Time of the Essence**

Time shall, in all respects, be of the essence hereof.

**Section 16 Canadian Dollars**

All references herein to dollar amounts are to lawful money of Canada.

**Section 17 Headings**

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

**Section 18 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.

**Section 19 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, without limitation, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.

**Section 20 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.

**Section 21 Governing Law, Attornment**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario, which will have non-exclusive jurisdiction over any matter arising out of this Agreement.

## **Section 22      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 (as contemplated under the Subscription Agreements) their respective executors, heirs, successors and permitted assigns; provided that, this Agreement shall not be assignable by any party without the prior written consent of the others.

## **Section 23      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.

## **Section 24      Absence of Fiduciary Relationship**

The Corporation acknowledges and agrees 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 they may be acting to effect sales, on the other hand; (ii) such Underwriter are 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 independent contractors and not in any other capacity. Furthermore, the Corporation agrees it is solely responsible for making its own judgements in connection with the Offering (irrespective of whether any of the Underwriter have advised it or is currently advising the Corporation on related or other matters). The Corporation agrees it will not claim that the Underwriter have rendered advisory services of any nature or respect, or owe any agency, fiduciary or similar duty to the Corporation in connection with the Offering or the process leading thereto.

## **Section 25      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.

## **Section 26      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.*

**Section 27      Counterparts and Electronic or Facsimile Copies**

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

**[Balance of Page Left Blank]**

If the Corporation is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Underwriter.

Yours very truly,

**CANACCORD GENUITY CORP.**

Per: “Steve Winokur”  
Authorized Signing Officer

The foregoing is hereby accepted on the terms and conditions therein set forth.

**DATED** as of the 31 day of January, 2018.

**GOLDEN LEAF HOLDINGS LTD.**

Per: “William Simpson”  
Authorized Signing Officer

**SCHEDULE “A”  
U.S. OFFERS AND SALES**

**Definitions**

1. As used in this Schedule “A”, the following terms shall have the meanings indicated:

<b>Directed Selling Efforts</b>	means “directed selling efforts” as that term is defined in Regulation S;
<b>FINRA</b>	means the Financial Industry Regulatory Authority;
<b>Foreign Issuer</b>	means a “foreign issuer” as that term is defined in Regulation S;
<b>Offshore Transaction</b>	means an “offshore transaction” as that term is defined in Regulation S;
<b>Qualified Institutional Buyer Letter</b>	means the qualified institutional buyer investment letter in the form attached as Annex II to Schedule “B” to the U.S. Subscription Agreement;
<b>Rule 144A</b>	means Rule 144A under the U.S. Securities Act;
<b>Substantial U.S. Market Interest</b>	means “substantial U.S. market interest” as that term is defined in Regulation S;
<b>U.S. Exchange Act</b>	means the United States Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;
<b>U.S. Placement Agent</b>	means any U.S. registered broker-dealer affiliate of any Underwriter;
<b>U.S. Subscription Agreement</b>	means subscription agreement in the form prepared for and duly executed by U.S. Persons.

All other capitalized terms used herein without definition have the meanings ascribed thereto in the Underwriting Agreement to which this Schedule “A” is attached.

**A. Representations, Warranties and Covenants of the Underwriter**

The Underwriter (on its own behalf and on behalf of its respective U.S. Placement Agent) severally, but not jointly or jointly and severally, acknowledge that the Common Shares and Warrants comprising the Units and the Warrant Shares, have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, to any U.S. Person or any person within the United States, except to Qualified Institutional Buyers pursuant to Rule 144A and similar exemptions under applicable state securities laws. Accordingly, the Underwriter (on its own behalf and on behalf of its U.S. Placement Agent) severally, but not jointly or jointly and severally, represents, warrants and covenants to the Corporation, as of the date

hereof and as of the Closing Date, and will cause its U.S. Placement Agent to comply with such representations, warranties and covenants, that:

1. Except with respect to offers and sales in accordance with this Schedule “A” to Qualified Institutional Buyers pursuant to Rule 144A and pursuant to applicable exemptions from registration under applicable U.S. state securities laws, it has offered and sold, and will offer and sell, the Units forming part of its allotment only in an Offshore Transaction in accordance with Rule 903 of Regulation S, or as provided in this Schedule “A”. Accordingly, none of such Underwriter, its affiliates or any persons acting on its or their behalf, has made or will make (except as permitted in this Schedule “A”): (i) any offer to sell or any solicitation of an offer to buy, any Units to any U.S. Person or person in the United States; (ii) any sale of Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States, or such Underwriter, its affiliates or persons acting on its or their behalf reasonably believed that such purchaser was outside the United States and a non-U.S. Person; or (iii) any Directed Selling Efforts in the United States with respect to the Units.
2. Any offer, sale or solicitation of an offer to buy Units that has been made or will be made by it or its U.S. Placement Agent in the United States was or will be made only to persons reasonably believed by it and its U.S. Placement Agent to be Qualified Institutional Buyers purchasing Units for their own accounts or for the account of one or more Qualified Institutional Buyers with respect to which they exercise sole investment discretion in transactions that are exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws.
3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units, except with its affiliates, any selling group members or with the prior written consent of the Corporation. It shall require its U.S. Placement Agent and each selling group member to agree in writing, for the benefit of the Corporation, to comply with, and shall use its best efforts to ensure that its U.S. Placement Agent and each selling group member complies with, the same provisions of this Schedule “A” as apply to such Underwriter as if such provisions applied to such U.S. Placement Agent or selling group member.
4. All offers and sales of the Units in the United States will be effected through its U.S. Placement Agent, and such U.S. Placement Agent is, and shall be on the date of each offer and sale of Units by it, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales of Units were or will be made (unless exempted from the respective state’s broker-dealer registration requirements) and is, and shall be on the date of each offer and sale of Units by it, a member in good standing with FINRA. All offers and sales of Units in the United States by it were made and will be made by its U.S. Placement Agent in compliance with all applicable United States federal and state broker-dealer requirements and all applicable rules of FINRA. Each of it and its U.S. Placement Agent is a Qualified Institutional Buyer.
5. Immediately prior to soliciting offerees in the United States and at the time of completion of each sale to a purchaser in the United States, it, its U.S. Placement Agent and any person acting on its or their behalf had reasonable grounds to believe and did believe that each offeree or purchaser, as applicable, was a Qualified Institutional Buyer purchasing Units directly from the Corporation as Substituted Purchasers.
6. Prior to the completion of any sale of Units in the United States to a Qualified Institutional Buyer, each such Qualified Institutional Buyer will be required to execute and deliver to the Corporation,



the Underwriter and the U.S. Placement Agent a U.S. Subscription Agreement, including the Qualified Institutional Buyer Letter attached thereto.

7. At least one Business Day prior to the time of delivery, it will provide the Corporation and its transfer agent with a list of all purchasers of the Units in the United States, together with their addresses (including state of residence), the number of Units purchased and the registration and delivery instructions for the Units.
8. At the Closing, each Underwriter (together with its U.S. Placement Agent) that participated in the offer or sale of Units in the United States will provide the Corporation with a certificate, substantially in the form of Appendix 1 to this Schedule "A", relating to the manner of the offer and sale of the Units in the United States, or will be deemed to have represented and warranted for the benefit of the Corporation that neither it nor its U.S. Placement Agent offered or sold Units in the United States.
9. None of such Underwriter, its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units.
10. All purchasers of the Units in the United States shall be informed that the Common Shares and Warrants comprising the Units and the Warrant Shares, have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Units are being offered and sold to such purchasers in reliance upon the exemption from the registration requirements pursuant to Rule 144A and applicable exemptions from U.S. state securities laws.

**B. Representations, Warranties and Covenants of the Corporation**

The Corporation represents, warrants, covenants and agrees that:

1. The Corporation is, and as of the Closing Date will be, a Foreign Issuer and reasonably believed at the commencement of the Offering that there was no Substantial U.S. Market Interest with respect to the Common Shares, the Warrants or the Warrant Shares.
2. The Corporation is not, and as a result of the sale of the Units contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended.
3. Except with respect to offers and sales in accordance with this Schedule "A" to Qualified Institutional Buyers in reliance upon an exemption from registration under the U.S. Securities Act, none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Underwriter, its respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Units to a U.S. Person or a person in the United States; or (ii) any sale of Units unless, at the time the buy order was or will have been originated, the purchaser is (x) outside the United States or (y) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and is a not a U.S. Person.
4. During the period in which the Units are offered for sale, neither it nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriter, its respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no

representation, warranty or covenant is made) has engaged in or will engage in any Directed Selling Efforts in the United States with respect to the Units, or has taken or will take any action in violation of Regulation M under the U.S. Exchange Act with respect to the Units or that would cause the exemption from registration under the U.S. Securities Act provided by Rule 144A thereof to be unavailable for offers and sales of Units in the United States in accordance with this Schedule “A”, or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Units outside the United States in accordance with the Underwriting Agreement and this Schedule “A”.

5. The Corporation has not sold, offered for sale or solicited any offer to buy, during the period beginning six months prior to the start of the Offering and will not sell, offer for sale or solicit any offer to buy during the period ending six months after the completion of the Offering, any of its securities in the United States in a manner that would be integrated with the Offering and would cause the exemption from registration provided by Rule 144A to be unavailable with respect to offers and sales of the Units pursuant to this Schedule “A” or the exclusion from registration provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Units to persons outside of the United States who are not (a) U.S. Persons or (b) acting for the account or benefit of U.S. Persons.
6. The Corporation will not take any action that would cause the exemptions or exclusions provided (i) by Rule 144A and applicable state securities laws to be unavailable with respect to offers and sales of the Units by the Underwriter in accordance with this Schedule “A”, or (ii) by Rule 903 of Regulation S to be unavailable with respect to offers and sales of the Units by the Corporation pursuant to this Schedule “A”.
7. The Corporation will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any state securities laws in connection with the sale of the Units.
8. None of the Corporation or any of its predecessors or subsidiaries has had the registration of a class of securities under the U.S. Exchange Act revoked by the United States Securities and Exchange Commission pursuant to Section 12(j) of the U.S. Exchange Act and any rules and regulations promulgated under the U.S. Exchange Act.
9. For so long as any of the Units which have been sold in the United States in reliance upon Rule 144A are outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Corporation is neither (i) subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act nor (ii) exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Corporation will provide to any holder of such Units, or to any prospective purchaser of such Units designated by such holder, upon the request of such holder or prospective purchaser, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

**Appendix 1**  
**to Schedule “A”**  
**Underwriter’s Certificate**

In connection with the private placement in the United States of the units (the “Units”) of Golden Leaf Holdings Ltd. (the “**Corporation**”) pursuant to the underwriting agreement dated as of January 31, 2018 (the “**Underwriting Agreement**”) among the Corporation and the underwriter named therein, the undersigned does hereby certify as follows:

- (i) The U.S. Placement Agent is on the date hereof, and was at the time of each offer and sale of Units in the United States made by it, (a) a duly registered broker or dealer under the U.S. Exchange Act and all applicable U.S. state securities laws (unless exempted from the respective state’s broker-dealer registration requirements) and (b) a member of and is in good standing with FINRA;
- (ii) all offers and sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons were made only through the U.S. Placement Agent in accordance with the terms of the Underwriting Agreement;
- (iii) all purchasers of the Units in the United States or who are, or are purchasing for the account or benefit of, U.S. Persons or who were offered the Units in the United States have been informed that the Units, the Common Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act and such securities are being offered and sold to such purchasers without registration in reliance on exemptions from the registration requirements of the U.S. Securities Act;
- (iv) immediately prior to offering, or soliciting any offers to buy, Units to any person in the United States, or to or for the account or benefit of, any U.S. Person, it had reasonable grounds to believe and did believe that each such offeree and purchaser was a Qualified Institutional Buyer, and, on the date hereof, it continues to believe that each such offeree or purchaser is a Qualified Institutional Buyer;
- (v) prior to any sale of the Units in the United States or to, or for the benefit or account of, a U.S. Person, it caused each purchaser to execute a U.S. Subscription Agreement, including the duly executed Qualified Institutional Buyer Letter attached as Annex II to Schedule “A” thereto;
- (vi) neither the undersigned nor any of their affiliates have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units; and
- (vii) all offers and sales of the Units have been conducted by it in accordance with the terms of the Underwriting Agreement, including Schedule “A” thereto.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

[SIGNATURE PAGE FOLLOWS]

DATED this \_\_\_\_ day of \_\_\_\_\_, 2018.

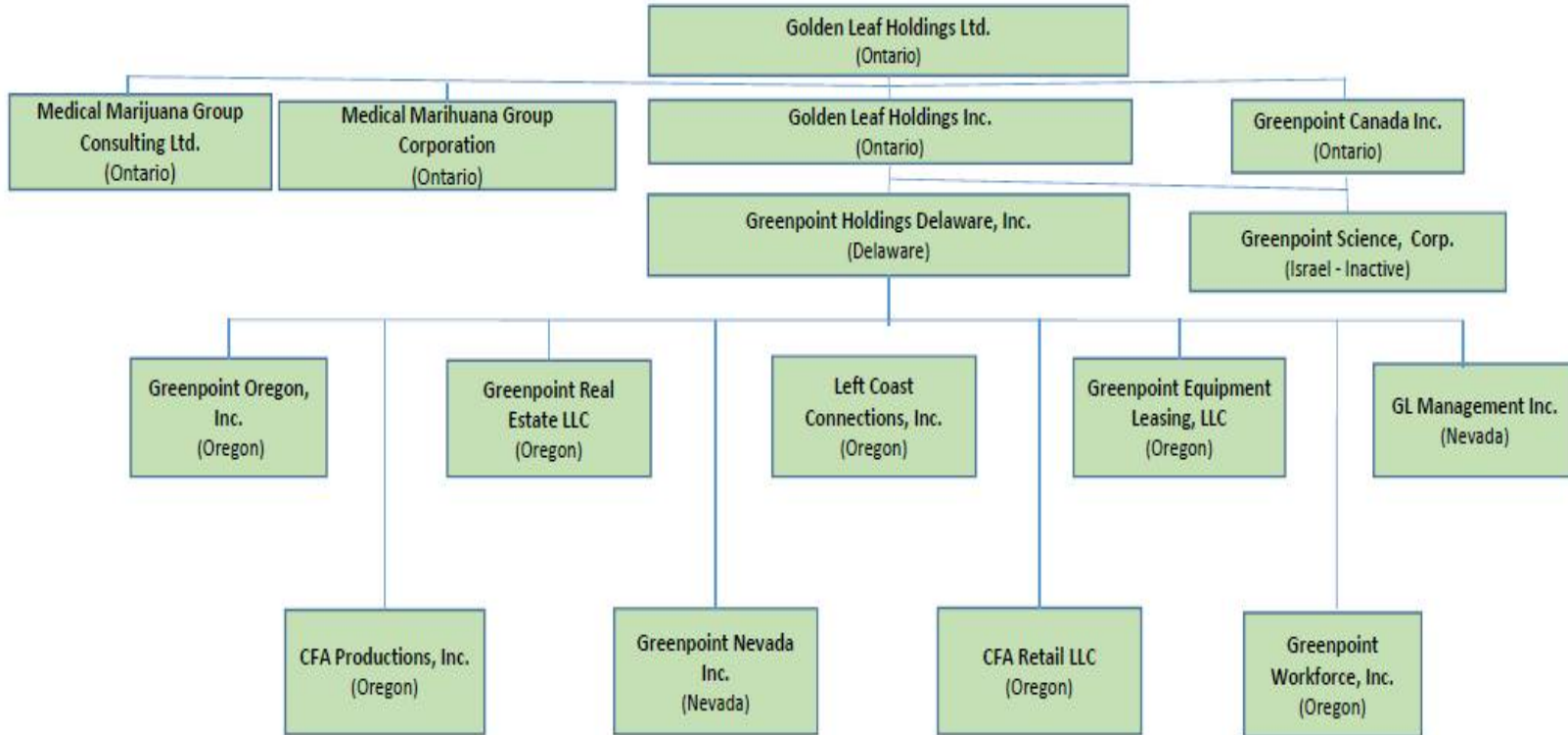
**[UNDERWRITER]**

**[U.S. PLACEMENT AGENT]**

By: \_\_\_\_\_  
Authorized Signing Officer

By: \_\_\_\_\_  
Authorized Signing Officer

**SCHEDULE "B"  
ORGANIZATION CHART**



**SCHEDULE “C”  
DISCLOSURE SCHEDULE**

*[Schedule “C” includes a summary of litigation and government proceedings that have been omitted pursuant to Section 12.2(3) of National Instrument 51-102.]*