MERGER AGREEMENT

Made as of

Between

ICANIC BRANDS COMPANY INC.
(the "**Purchaser**")

and

LEEF HOLDINGS, INC.
(the "**Company**")

and

ICANIC MERGER SUB, INC.
("**Subco**")

and

MICAH ANDERSON
(the "**Stockholders Representative**")

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MERGER AGREEMENT

This Agreement is entered into on January 21, 2022 by and among Icanic Brands Company Inc. (the "**Purchaser**"), a company incorporated pursuant to the *Business Corporations Act* (British Columbia), LEEF Holdings, Inc. (the "**Company**"), a Nevada corporation, Icanic Merger Sub, Inc., a Nevada corporation ("**Subco**"), and Micah Anderson, solely in his capacity as representative of the Company Stockholders (the "**Stockholders Representative**"). Defined terms used herein have the meaning set forth in Section 1.1.

To the extent possible under the Tax Act, the Parties intend that for Canadian federal income purposes, an Eligible Holder shall be entitled to make a joint income tax election, pursuant to section 85 of the Tax Act (and any analogous provision of provincial income tax law), to have the Eligible Holder's disposition of their Company Common Shares pursuant to the Merger occur on a full or partial rollover basis.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions

In this Agreement (including the preamble, recitals and each Schedule hereto), the following terms have the meanings ascribed thereto as follows:

(1) "**Accredited Investor**" means an accredited investor as defined in Rule 501(a) under the U.S. Securities Act.

(2) "**Accredited Investor Certification**" means the Accredited Investor Certification, in substantially the form attached hereto as Exhibit A.

(3) "**Acquisition**" means the acquisition of the Company by Purchaser effected through the Merger.

(4) "**Affiliate**" has the meaning ascribed thereto in the BCBCA.

(5) "**Aggregate Company Shares Deemed Outstanding**" means the aggregate number of Company Common Shares issued and outstanding as of immediately prior to the Effective Time.

(6) "**Agreement**" means this Agreement and any instrument supplemental or ancillary hereto; and the expressions "**Article**", "**Section**", and "**subsection**" followed by a number means and refer to the specified Article, section or subsection of this Agreement.

(7) "**Ancillary Agreements**" means all agreements, certificates and other instruments delivered or given pursuant to this Agreement, including without limitation the Employment Agreement.

(8) "**Applicable Money Laundering Laws**" has the meaning ascribed thereto in Section 3.1(mm).

(9) “**Applicable Securities Laws**” means applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time.

(10) “**Arbitration**” has the meaning ascribed thereto in Section 12.5(a).

(11) “**Arbitrator**” has the meaning ascribed thereto in Section 12.5(a).

(12) “**Articles of Merger**” means the Articles of Merger as required pursuant to Section 92A.200 of the NRS to be filed with the Secretary of Sate of the State of Nevada to effect the Merger.

(13) “**Basket**” has the meaning ascribed thereto in Section 11.4(a).

(14) **“BCBCA”** means *Business Corporations Act* (British Columbia).

(15) “**BCC License**” means each and all Cannabis Licenses issued to the Company and its Subsidiaries by the State of California Bureau of Cannabis Control, as required for, or in connection with, the Company’s business operations.

(16) “**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in Vancouver, British Columbia or in the State of California, United States.

(17) “**Cannabis License**” means any temporary, provisional or permanent permit, license, registration, variance, clearance, consent, commission, franchise, exemption, order, authorization, or approval from any Governmental Authority that regulates the cultivation, manufacture, processing, marketing, sale or distribution of cannabis products, whether for medical or recreational use, including but not limited to the annual cannabis license issued by the State of California (including by the Bureau of Cannabis Control, the California Department of Food and Agriculture or the California Department of Public Health, as applicable).

(18) “**Cash**” means the consolidated amount of cash and cash equivalents of the Purchaser, as defined by and determined in accordance with IFRS and shall also include any funds advanced to the Company with respect to the Company’s cannabis manufacturing facility located in Arvin, California, including the Loan; provided, however, Cash shall (a) not include (i) any Restricted Cash or (ii) cash and cash equivalents in respect of uncollected accounts receivable (other than the Loan) and (b) be calculated net of any amounts required to cover wire transfers, automated clearing house transactions, checks and similar instruments issued by the Company which have not cleared.

(19) “**Claim**” means any claim, action, audit, suit, assessment, arbitration, mediation, litigation, demand, inquiry, governmental charge, order, hearing or any proceeding or investigation, in each case that is by or before any Governmental Authority, whether civil, criminal, investigative, informal, administrative or otherwise.

(20) “**Closing**” means the completion of the Acquisition in accordance with the terms and conditions of this Agreement.

(21) “**Closing Date**” means the Business Day on which all conditions set forth in Article 8 (other than those conditions that by their nature are to be satisfied or waived at the Closing, but subject to the satisfaction or waiver of those conditions) are satisfied or waived or such other Business Day as the Parties may agree to in writing.

(22) "**Closing Payment**" has the meaning ascribed thereto in Section 2.2(a)(i).

(23) "**Closing Press Release**" has the meaning ascribed thereto in Section 12.1(b)(ii).

(24) "**Code**" means the United States Internal Revenue Code of 1986, as amended.

(25) "**Company**" means LEEF Holdings, Inc., a corporation incorporated under the laws of Nevada.

(26) "**Company Auditors**" means MGO.

(27) "**Company Capitalization Spreadsheet**" means the spreadsheet delivered at Closing setting out the outstanding share capital of the Company, including the issued and outstanding Company Common Shares, Company Options, Company Warrants and Company Debentures, together with the address of record of each such holder.

(28) "**Company Common Shares**" means the shares of common stock of the Company, $0.001 par value per share.

(29) "**Company Debentures**" means each of the outstanding 9% Convertible Senior Secured Debentures due June 6, 2022 issued pursuant to the Company Indenture.

(30) "**Company Disclosure Letter**" means the disclosure letter dated as of the date hereof delivered by the Company to Purchaser prior to the execution and delivery of this Agreement.

(31) "**Company Financial Statements**" means (i) the unaudited income statement for the years ended December 31, 2019 and 2020 and for the five month period ended May 31, 2021, (ii) the unaudited statement of financial position as at December 31, 2019, December 31, 2020 and May 31, 2021, (iii) the unaudited statement of cash flows for the year ended December 31, 2020 and for the five month period ended May 31, 2021, and (iv) the unaudited statement of changes in equity as at December 31, 2020.

(32) "**Company Fundamental Representations**" shall mean the representations of the Company set forth in Section 4.1(a), (b), (f), (g), (h) and (m).

(33) "**Company Indenture**" means that certain Indenture dated June 6, 2019 by and among the Company and Odyssey Trust Company, as both Trustee and Collateral Agent thereunder.

(34) "**Company Key Personnel**" means each officer and director of the Company.

(35) "**Company Options**" means the outstanding stock options of the Company, as set forth in the Company Capitalization Spreadsheet, with each such option entitling the holder thereof to acquire the number of Company Common Shares set forth beside such holder's name on the Company Capitalization Spreadsheet, subject to adjustments, pursuant to the terms of the applicable option agreement.

(36) "**Company Revenue**" means the sum of (i) all Direct Revenue plus (ii) all Referred Revenue.

(37) "**Company Stockholder Indemnified Persons**" has the meaning ascribed thereto in Section 11.2.

(38) "**Company Stockholders**" means holders of the Company Common Shares.

(39) “**Company Warrants**” means common share purchase warrants of the Company, each entitling the holder thereof to acquire the number of Company Common Shares set forth beside such holder’s name on the Company Capitalization Spreadsheet.

(40) “**Confidential Information**” means any information concerning the Company or Purchaser (the “**Disclosing Party**”) or its business, properties and assets made available to the other party or its representatives (the “**Receiving Party**”); provided that it does not include information which (i) is generally available to or known by the public other than as a result of improper disclosure by the Receiving Party or pursuant to a breach of Section 12.1 by the Receiving Party, or (ii) is obtained by the Receiving Party from a source other than the Disclosing Party, provided that (to the reasonable knowledge of the Receiving Party) such source was not bound by a duty of confidentiality to the Disclosing Party or another party with respect to such information.

(41) “**Contract**” means, with respect to a Person, any contract, instrument, permit, concession, licence, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, partnership or joint venture agreement or other legally binding agreement, arrangement or understanding, whether written or oral, to which the Person is a party or by which, to the knowledge of such Person, the Person or its property and assets is bound or affected.

(42) **“CSE”** means the Canadian Securities Exchange.

(43) "**Depositary**” means National Securities Administrators Ltd. or any other trust company, bank or other financial institution agreed to in writing by the Company and the Purchaser for the purpose of, among other things, exchanging certificates representing Company Common Shares for the Resulting Issuer Common Shares in connection with the Merger.

(44) “**Direct Revenue**” means the revenue of the Company and each of its Subsidiaries.

(45) “**Dissenting Shares**” means any Company Common Shares that are held by a Company Stockholder immediately prior to the Effective Time and in respect of which appraisal rights have been perfected in accordance with the NRS in connection with the Merger and have not been effectively withdrawn or lost (through failure to perfect or otherwise).

(46) “**DRS**” means the Direct Registration System of the Purchaser’s transfer agent for Resulting Issuer Common Shares.

(47) “**Earn-Out Payments**” means collectively, the First Earn-Out Payment, the Second Earn-Out Payment and the Third Earn-Out Payment, and “**Earn-Out Payment**” means any one of them.

(48) “**Earn-Out Payments Certificate**” has the meaning ascribed thereto in Section 2.10.

(49) “**Earn-Out Payments Certificate Objection**” has the meaning ascribed thereto in Section 2.10.

(50) “**Earn-Out Payments Firm**” has the meaning ascribed thereto in Section 2.12.

(51) “**Effective Date**” means the day on which the Effective Time of the Merger occurs.

(52) “**Effective Time**” means the time of acceptance by the Secretary of State of the State of Nevada of the Articles of Merger in accordance with Section 92A.200 of the NRS or such later time as may be agreed to by the Parties and set forth in such filing for the effectiveness of the Merger.

(53) "**Eligible Holder**" means a beneficial owner of Company Common Shares immediately prior to the Effective Time (other than with respect to Dissenting Shares) who is: (a) a resident of Canada for purposes of the Tax Act (other than a Tax Exempt Person) or (b) a partnership any member of which is a resident of Canada for the purposes of the Tax Act (other than a Tax Exempt Person).

(54) "**Employee**" means an officer or employee of the Company, Purchaser or Subco.

(55) "**Employee Plan**" has the meaning ascribed thereto in Section 3.1(dd).

(56) "**Employment Agreement**" means the form of Employment Agreement, in substantially the form attached hereto as Exhibit B.

(57) "**Environmental Laws**" means all Laws relating to workplace safety or health, pollution or protection of the environment, including without limitation, laws relating to the exposure to, or Releases or threatened Releases of, hazardous materials, substances or wastes as the foregoing are enacted or in effect on or prior to Closing.

(58) "**Escrow Agreement**" means that certain escrow agreement to be dated as of the Closing Date, and substantially in the form agreed to by the Purchaser and Leef as of the date hereof, pursuant to which the Purchaser Common Shares issuable to Mark Smith under the Smith Employment Agreement shall be deposited.

(59) "**Exchange Ratio**" means an amount equal to the number of Payment Shares divided by the Aggregate Company Shares Deemed Outstanding (as shown on the Company Capitalization Spreadsheet), but excluding any Dissenting Shares.

(60) "**Expiration Date**" has the meaning ascribed thereto in Section 11.3(a).

(61) "**First Earn-Out Payment**" has the meaning ascribed thereto in Section 2.10(a).

(62) "**First Pay-Out Date**" has the meaning ascribed thereto in Section 2.10(a).

(63) "**Fraud**" means common law fraud that is committed with actual (as opposed to imputed or constructive) knowledge of falsity and with the intention to deceive or mislead (as opposed to reckless indifference to the truth) another who is relying thereon (excluding, for the avoidance of doubt, any theory of fraud premised upon recklessness or gross negligence).

(64) "**Fundamental Representations**" means the Company Fundamental Representations and the Purchaser Fundamental Representations;

(65) "**GAAP**" means United States Generally Accepted Accounting Principles.

(66) "**Governmental Authority**" means and includes, without limitation, any national, 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, including the CSE.

(67) "**Hazardous Materials**" means any materials or substances or wastes as to which liability or standards of conduct may be imposed under any Environmental Law.

(68) **“IFRS”** means International Financial Reporting Standards.

(69) “**include**” or “**including**” shall be deemed to be followed by the words “without limitation”.

(70) “**Indemnifiable Claim**” has the meaning ascribed thereto in Section 11.5.

(71) “**Indemnification Notice**” has the meaning ascribed thereto in Section 11.5.

(72) “**Indemnified Party**” has the meaning ascribed thereto in Section 11.5.

(73) “**Indemnifying Party**” has the meaning ascribed thereto in Section 11.5.

(74) “**Information Statement**” has the meaning ascribed thereto in Section 6.6.

(75) “**Intellectual Property**” means, in any and all jurisdictions throughout the world, all (a) patents and patent applications, (b) registered trademarks, trade names, service marks, logos, corporate names, internet domain names, and any applications for registration of any of the foregoing, together with all goodwill associated with each of the foregoing, (c) registered and material unregistered copyrights, including copyrights in computer software, mask works and databases and (d) trade secrets and other proprietary know-how.

(76) “**JAMS**” has the meaning ascribed thereto in Section 12.5(a).

(77) “**Laws**” means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Governmental Authority applicable to the Company or Purchaser, other than U.S. Federal Cannabis Laws.

(78) “**Leased Real Property**” means any real property leased, subleased, licensed or otherwise used by the Company or the Purchaser, as applicable, as tenant, subtenant, licensee or occupant, as applicable, together with, to the extent leased by the Company or the Purchaser, as applicable. all buildings and other structures, facilities or improvements currently or hereafter located thereon, all fixtures, systems, equipment and items of personal property of the Company or the Purchaser, as applicable, attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing.

(79) “**Leases”** has the meaning ascribed thereto in Section 3.1(y).

(80) “**Letter of Transmittal**” means that certain Letter of Transmittal included with the Information Statement to be delivered to the Company Stockholders.

(81) “**Loan**” means the $500,000 loan advanced by Purchaser to the Company pursuant to the promissory note dated October 22, 2021 between Purchaser and the Company.

(82) “**Lock-Up Agreement**” means that certain Lock-Up Agreement, in substantially the form attached hereto as Exhibit C.

(83) “**Losses**” shall mean all direct, out of pocket costs related to any awards, Liabilities, damages, bonds, dues, assessments, fines, penalties, Taxes, fees, costs (including costs of investigation, defense and enforcement of this Agreement), expenses or amounts paid in settlement (in each case, including reasonable attorneys’ and experts’ fees and expenses), whether or not involving a Third Party Claim. For

the avoidance of doubt Losses shall not include any indirect, incidental, consequential or punitive damages or diminution in value or lost profits.

(84) "**Material Adverse Change**" or **"Material Adverse Effect"** with respect to Purchaser or the Company, as the case may be, means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of Purchaser or the Company, as the case may be, taken as a whole on a consolidated basis; *provided*, *however*, that in no event shall any of the following be deemed, either alone or in combination, to constitute, nor shall any of the following be taken into account in determining whether there has been, a Material Adverse Change or Material Adverse Effect with respect to such entity (except to the extent, in the case of clauses (i) through (iii) below, they have a disproportionate effect on such Party and its Subsidiaries, taken as a whole, as compared to the other companies in the industry in which such Party and its Subsidiaries operate): (i) changes in conditions in the U.S., Canadian or global economy, capital or financial markets generally, including, without limitation, changes in interest or exchange rates, (ii) changes in legal, tax, regulatory, political or business conditions that, in each case, generally affect the geographic regions or industries in which the Party and its Subsidiaries conduct business, (iii) changes in GAAP and/or IFRS, (iv) the negotiation, execution, announcement or performance of this Agreement or the transactions contemplated hereby or the consummation of the transactions contemplated by this Agreement, including, without limitation, the impact thereof on relationships, contractual or otherwise, with customers, suppliers, distributors, landlords, tenants, lenders, investors or employees, (v) acts of war, armed hostilities, sabotage or terrorism, or any escalation or worsening of any such acts of war, armed hostilities, sabotage or terrorism that do not disproportionately affect the Party or its Subsidiaries, (vi) any pandemic, epidemic or any publicly declared health emergency (including the COVID-19 virus); (vii) any action taken by the Party at the request of the other Party or (viii) any failure to meet internal or published projections, estimates or forecasts of revenues, earnings, or other measures of financial or operating performance for any period (provided that the underlying changes, events, circumstances, conditions or effects that contributed to such failure may be taken into account in determining whether such failure has resulted in a Material Adverse Change or Material Adverse Effect).

(85) "**Mergeco**" means the Company, which shall be the surviving corporation of the Merger of Subco with and into the Company pursuant to the Merger.

(86) "**Merger**" means the merger of Subco with and into the Company pursuant to the provisions of the NRS in the manner contemplated in and pursuant to the terms and conditions of this Agreement.

(87) "**Minimum Cash Balance**" means $3,000,000.

(88) **"NRS"** means the Nevada Revised Statutes.

(89) "**Ordinary Course**" means, with respect to the Company and Purchaser, as applicable, the operation of its business in a prudent and business-like manner consistent with the normal day-to-day operations of the business of such Party and in a manner consistent with past practice.

(90) "**Party**" means each of the Company, Purchaser, Subco and the Stockholders Representative and "**Parties**" means the Company, Purchaser, Subco and the Stockholders Representative.

(91) "**Pay-Out Dates**" means the First Pay-Out Date, the Second Pay-Out Date and the Third Pay-Out Date and "**Pay-Out Date**" means any of the First Pay-Out Date, the Second Pay-Out Date or the Third Pay-Out Date.

(92) "**Payment Shares**" means that number of Purchaser Common Shares equal to the higher of (a) $120,000,000 or (b) two times the TTM Company Revenue for the period ended September 30, 2021, divided by the 30-day VWAP of the Purchaser Common Shares on the CSE for the period ended on the Business Day prior to the Closing Date, using the daily foreign exchange rate for Canadian to United States dollars published by the Bank of Canada on the date the 30-day VWAP of the Purchaser Common Shares on the CSE is determined.

(93) "**Permits**" has the meaning ascribed thereto in Section 3.1(r).

(94) "**Person**" includes an individual, corporation, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other juridical entity.

(95) "**Pro Rata Share**" means with respect to any Company Stockholder, a ratio (expressed as a percentage) equal to (a) the number of Company Common Shares held by such Company Stockholder as of immediately prior to the Effective Time divided by (b) the Aggregate Company Shares Deemed Outstanding.

(96) "**Purchase Price**" has the meaning ascribed thereto in Section 2.2(a).

(97) "**Purchaser**" has the meaning ascribed thereto on the first page of this Agreement.

(98) "**Purchaser Assets**" means the property and assets of Purchaser, of every kind and description and wheresoever situated.

(99) "**Purchaser Common Shares**" means the common shares in the capital of Purchaser.

(100) "**Purchaser Disclosure Letter**" means the disclosure letter dated as of the date hereof delivered by Purchaser to the Company prior to the execution and delivery of this Agreement.

(101) "**Purchaser Financial Statements**" means (i) the audited consolidated financial statements of the Purchaser for the years ended July 31, 2021 and 2020, prepared in accordance with IFRS, and (ii) the unaudited interim financial statements of the Company for the three month period ended October 31, 2021, prepared in accordance with IFRS.

(102) "**Purchaser Fundamental Representations**" shall mean the following representations of the Purchaser set forth in Section 3.1(a), (b), (c), (g), (h) and (i).

(103) "**Purchaser Indemnified Persons**" has the meaning ascribed thereto in Section 11.1.

(104) "**Purchaser Key Personnel**" means each officer and director of Purchaser.

(105) "**Purchaser Stock Option Plan**" means the stock option and incentive plan adopted by the shareholders of the Purchaser on May 27, 2016, as amended from time to time.

(106) "**Purchaser Transaction Approvals**" has the meaning ascribed thereto in Section 7.8(b).

(107) "**Referred Revenue**" means all revenue of Purchaser and its Subsidiaries (other than Direct Revenue) resulting from (i) the acquisition, whether by merger, stock sale or purchase of assets, of any Person by the Purchaser or its Subsidiaries that is first introduced by Micah Anderson and/or his Representatives or Affiliates, including without limitation, those Persons set forth in that certain written list delivered to Purchaser by Micah Anderson prior to the Closing Date, and (ii) sales and services to any Person that is directly referred to Purchaser and its Subsidiaries by the Company or Micah Anderson and/or his Representatives or Affiliates.

(108) "**Release**" means any release, spill, emission, discharge, leaking, pumping, injection, deposit, disposal, dispersal, leaching or migration into the environment (including, without limitation, ambient air, surface water, groundwater and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Materials through or in the soil, surface water or groundwater.

(109) "**Representatives**" means, with respect to any Person, the advisors, attorneys, accountants, consultants or other representatives (acting in such capacity) retained by such Person or any of its controlled Affiliates, together with directors, officers and employees of such Person and its Subsidiaries.

(110) "**Requisite Stockholder Vote**" means the affirmative vote of greater than fifty percent (50.0%) of the issued and outstanding Company Common Shares as of the date of this Agreement approving this Agreement and the Merger.

(111) "**Restricted Cash**" means any trapped cash, cash security or performance deposits, cash escrow accounts, cash subject to a lockbox, dominion, control or similar agreement, cash held on behalf of or for the benefit of another Person or otherwise subject to any restrictions, limitations on use, or Taxes on use, transfer or distribution by Law, Contract or otherwise, including outstanding and un-cleared checks, wires in transit, repatriations, cash securing letters of credit obligations and customer, landlord or security deposits.

(112) "**Resulting Issuer**" means the Purchaser from and after the Effective Time.

(113) "**Resulting Issuer Common Shares**" means the common shares in the capital of the Resulting Issuer.

(114) "**Resulting Issuer Options**" means the options of the Resulting Issuer to be issued in exchange for the Company Options as provided in Section 2.2 hereof, with each such Resulting Issuer Option entitling the holder to purchase one Resulting Issuer Common Share.

(115) "**Second Earn-Out Payment**" has the meaning ascribed thereto in Section 2.10(b).

(116) "**Second Pay-Out Date**" has the meaning ascribed thereto in Section 2.10(b).

(117) "**Signing Press Release**" has the meaning ascribed thereto in Section 12.1(b)(ii).

(118) "**Smith Employment Agreement**" means the executive employment agreement dated January 27, 2021 between Mark Smith and the Purchaser.

(119) "**Stockholders Representative**" has the meaning ascribed thereto on the first page of this Agreement.

(120) “**Subco**” means Icanic Merger Sub, Inc., a direct, wholly-owned subsidiary of Purchaser incorporated under the NRS for the sole purpose of effecting the Merger in accordance with the terms of this Agreement.

(121) “**Subsidiary**” means, when used with respect to any Person, any corporation, limited liability company, partnership, association, trust or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power (or, in the case of a partnership, more than 50% of the general partnership interests) are, as of such date, owned by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person; provided that, in the case of Purchaser, the term “Subsidiary” will be deemed to include Subco prior to the Effective Time and Mergeco following the Effective Time.

(122) “**Supplemental Indenture”** means a Supplemental Indenture entered into by and among Purchaser and Odyssey Trust Company, as both trustee and collateral agent thereunder, pursuant to Section 10.01(b) of the Company Indenture, pursuant to which Purchaser shall assume the duties and obligations of the Company under the Company Indenture and the Company Debentures outstanding thereunder as of Closing.

(123) “**Taxes**” means all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers’ compensation payments, property taxes and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto.

(124) “**Tax Act**” means the *Income Tax Act* (Canada), as amended.

(125) “**Tax Exempt Person**” means a person who is exempt from tax under Part I of the Tax Act.

(126) **“Termination Date”** has the meaning ascribed thereto in Section 10.1.

(127) “**Third Earn-Out Payment**” has the meaning ascribed thereto in Section 2.10(c).

(128) “**Third Pay-Out Date**” has the meaning ascribed thereto in Section 2.10(c).

(129) “**Third Party**” shall mean any Person other than Purchaser or the Company or their respective Affiliates.

(130) “**Third Party Claim**” mean any claim, demand, action, suit, proceeding or litigation asserted by a Third Party against any Party entitled to indemnification under Article 11 of this Agreement.

(131) **“TTM”** means the trailing 12-months.

(132) **“United States”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

(133) “**U.S. Federal Cannabis Laws**” means any U.S. federal law, civil, criminal or otherwise, that prohibit or penalize, the advertising, cultivation, harvesting, production, distribution, sale and possession of Cannabis and/or related substances or products containing or relating to the same, and related activities, including the prohibition on drug trafficking under the Controlled Substances Act (21 U.S.C. § 801, et seq.), the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing

another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957 and 1960.

(134) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(135) "**VWAP**" means the volume-weighted average trading price.

ARTICLE 2
ACQUISITION

Section 2.1 Agreement to Merge.

Upon the terms and subject to the conditions contained in this Agreement, the Parties hereby agree to implement the Merger in accordance with the NRS. Purchaser shall, in its capacity as the sole stockholder of Subco, approve the Merger as soon as reasonably practicable with the intent that the same shall be completed on or before the date that is 60 days following the date hereof.

Section 2.2 Merger Events.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of the Company, Subco and Purchaser, or any holder of Company Common Shares:

(i) each issued and outstanding Company Common Share (other than Dissenting Shares) will automatically be converted into the right to receive: (A) a number of Resulting Issuer Common Shares equal to one multiplied by the Exchange Ratio (the "**Closing Payment**"); and (B) the Pro Rata Share of each Earn-Out Payment, if any, payable pursuant to Section 2.10 (the amounts payable pursuant to this Section 2.2(a)(i) collectively, the "**Purchase Price**"). For greater certainty, issued and outstanding Company Common Shares (other than Dissenting Shares) will be disposed of to the Purchaser by an Eligible Holder for the Purchase Price;

(ii) each Company Option outstanding immediately prior to the Effective Time will be cancelled and exchanged for one Resulting Issuer Option on the following basis:

(A) the number of Resulting Issuer Common Shares subject to the Resulting Issuer Option, rounded down to the nearest whole share, will equal the number of Company Common Shares issuable upon exercise of the Company Option immediately prior to the Effective Time, multiplied by the Exchange Ratio;

(B) the exercise price of each Resulting Issuer Option will equal the exercise price of the Company Option divided by the Exchange Ratio;

(C) the other terms and conditions of the Resulting Issuer Option will be equivalent to the terms and conditions of the Company Option, including with respect to term, expiry date and vesting;

(D) the Resulting Issuer Options will otherwise be governed by the Purchaser Stock Option Plan;

(E) it is the intention of the Parties that each Resulting Issuer Option issued pursuant to this Section 2.2(ii) shall continue to qualify following the Effective Time as an incentive stock option as defined in Section 422 of the Code to the extent permitted under Section 422 of the Code and to the extent the related Company Option qualified as an incentive stock option immediately prior to the Effective Time; and

(F) notwithstanding Section 2.2(a)(ii)(B), the exercise price per share and the number of Resulting Issuer Common Shares purchasable pursuant to each exchanged for Company Option following the Effective Time as well as the terms and conditions of such option shall be adjusted, to the extent necessary, in order to comply with Sections 424(a) and 409A of the Code;

(iii) each outstanding Company Warrant will be assumed by Purchaser on the following basis:

(A) the number of Resulting Issuer Common Shares subject to the Company Warrant will equal the number of Company Common Shares issuable upon exercise of the Company Warrant immediately prior to the Effective Time, multiplied by the Exchange Ratio;

(B) the exercise price of each Company Warrant will equal the exercise price of the Company Warrant divided by the Exchange Ratio;

(C) the other terms and conditions of the Company Warrant will remain unchanged and will continue to be governed by the applicable warrant certificate evidencing such Company Warrant; and

(iv) each share of Subco common stock issued and outstanding immediately prior to the Effective Time shall be converted into and become one share of common stock of Mergeco such that Mergeco shall be a wholly-owned subsidiary of the Resulting Issuer. As consideration for the issuance of the Payment Shares, Mergeco shall issue Purchaser one share of Mergeco common stock for each Resulting Issuer Common Share issued to the Company Stockholders as a part of the Merger.

Section 2.3 Payment of Consideration and Exchange Procedures.

(a) On the day immediately prior to the Effective Date, the Purchaser shall deposit in escrow pending the Effective Time, with the Depositary (the terms and conditions of such escrow to be satisfactory to the Parties, acting reasonably), sufficient Payment Shares to satisfy the Closing Payment to be paid to the Company Stockholders in accordance with Section 2.2(a)(i) of this Agreement. The Depositary shall hold the Payment Shares as agent and nominee for the Company Stockholders for distribution to such Company Stockholders and, following the Effective Time, the Depositary shall deliver the Payment Shares deposited with the Depositary to the Company Stockholders

in accordance with Section 2.3(d) and the depositary agreement to be entered into among the Parties and the Depositary.

(b) Following the Effective Time on the Effective Date, the original stock certificate of Subco registered in the name of Purchaser shall be cancelled and Purchaser shall be issued a stock certificate for the number of shares of the common stock of Mergeco to be issued to Purchaser as provided in Section 2.2(iv) hereof;

(c) Upon the Effective Time and subject to the treatment of Dissenting Shares in Section 2.7 hereof, certificates or other evidence representing the Company Common Shares, Company Options or Company Warrants, as applicable, shall cease to represent any claim upon or interest in the Company other than the right of the holder to receive, pursuant to the terms hereof and thereof, the Purchase Price, Resulting Issuer Options and Resulting Issuer Common Shares upon exercise of Company Warrants, respectively, in accordance with Section 2.2 hereof;

(d) On or prior to the Effective Date, the Purchaser shall mail or otherwise cause to be delivered to each holder of record of Company Common Shares, at the address of record for such Company Stockholder: (i) a Letter of Transmittal for the surrender of stock certificates representing the Company Common Shares, (ii) an Accredited Investor Certification (for Company Stockholders that are a U.S. Person) and (iii) instructions for use in effecting the surrender of the Company Common Shares and certificates therefor to the Purchaser in exchange for the applicable portion of the Purchase Price. As soon as reasonably practicable after, but in no event more than five Business Days after the date that the Company Stockholder has surrendered the Company Common Shares for cancellation to the Purchaser, together with such Letter of Transmittal (including a completed and duly executed Accredited Investor Certification, if applicable) and any required Form W-9 or Form W-8, duly completed and validly executed in accordance with the instructions thereto (including all required deliverables), the holder of such Company Common Shares shall receive, and the Purchaser shall cause the Depositary, upon surrender thereof, to deliver share certificates or evidence of DRS entry in such Common Stockholder's name of the aggregate amount of Resulting Issuer Common Shares issuable to such Company Stockholder pursuant to Section 2.2(a)(i), and any Company Common Shares so surrendered to the Purchaser shall be canceled.

(e) As soon as practicable following the Effective Date, the Purchaser shall mail or otherwise cause to be delivered to each holder of Company Options, at the address set forth for such holder of Company Options on the Company Capitalization Spreadsheet the new Resulting Issuer Options in such holder's name pursuant to Section 2.2(a)(ii).

(f) As soon as practicable following the Effective Date, the Purchaser shall mail or otherwise cause to be delivered to each holder of a Company Warrant, at the address set forth for such holder of Company Warrants on the Company Capitalization Spreadsheet a written notice setting forth (i) the terms of the Company Warrant as adjusted pursuant to their terms and as provided for in Section 2.2(a)(iii), and (ii) that such Company Warrants will continue to be governed by the applicable warrant certificate as so adjusted.

Section 2.4 Legending of Payment Shares

(a) The Company, on behalf of the Company Stockholders, acknowledges that at the discretion of the Purchaser and the Stock Representative, the Payment Shares issued as consideration to the Company Stockholders pursuant to this Agreement shall be issued bearing the legends set forth in Exhibit D attached hereto (in additional to any legend required pursuant to the U.S. Securities Act).

Section 2.5 Merged Corporation.

(a) The Articles of Incorporation and the Bylaws of the Company shall be the Certificate of Incorporation and Bylaws of Mergeco, with any amendments thereto, to be made in accordance with applicable law at the Effective Time, as may be necessary to give effect to this Agreement, including the following provisions (i) through (vii):

(i) **Number of Directors.** The board of directors of Mergeco shall consist of a minimum of one (1) director and a maximum of two (2) directors.

(ii) **Officers and Directors**. As of the Effective Time, the initial directors of Mergeco shall be Micah Anderson and Emily Heitman. As of the Effective Time, the initial officers of Mergeco shall be:

Name	Title
Micah Anderson	Chief Executive Officer and President
Emily Heitman	Chief Operating Officer

(iii) **Fiscal Year**. The fiscal year end of Mergeco shall be July 31 in each year, unless and until changed by resolution of the board of directors.

(iv) **Registered Office**. The registered office of Mergeco shall be the registered office of the Company.

(v) **Authorized Capital.** The authorized capital of Mergeco shall be 100,000,000,000 shares of common stock with a par value of $0.001 each, all of which shall be common stock.

(vi) **Business and Powers**. There shall be no restriction on the business that Mergeco may carry on or on the powers that Mergeco may exercise.

Section 2.6 Fractional Shares.

No fractional Resulting Issuer Common Shares will be issued or delivered pursuant to the Merger. Any fractional share will be rounded down to the next lowest number and no consideration will be paid in lieu thereof.

Section 2.7 Dissenting Shares.

(a) Notwithstanding any provision of this Agreement to the contrary, any Dissenting Shares shall not be converted into or represent a right to receive the Company Stockholder's Pro-Rata Share of the Purchase Price for Company Common Shares pursuant to

Section 2.2(a)(i), but shall instead be converted into and represent only the right to receive such consideration as may be determined to be due with respect to any such Dissenting Shares pursuant to Section 92A.300 et seq. of the NRS.

(b) Notwithstanding the provisions of Section 2.7(a), if any Company Stockholder who demands appraisal of such Company Common Shares under the NRS shall effectively withdraw or lose (through failure to perfect or otherwise) the right to appraisal, then, as of the later of (i) the Effective Time, or (ii) the occurrence of such event, such Company Stockholder's Company Common Shares shall automatically be converted into and represent only the right to receive such Company Stockholder's Pro-Rata Share of the Purchase Price as provided in Section 2.2(a)(i).

(c) The Company shall give Purchaser prompt notice of any written demands for appraisal of any Company Common Shares, withdrawals of such demands, and any other instruments that relate to such demands received by the Company. The Company shall not, except with the prior written consent of the Purchaser, make any payment with respect to any demands for appraisal of Company Common Shares or offer to settle or settle any such demands unless required by applicable Laws.

Section 2.8 Effect of Merger.

At the Effective Time:

(a) Subco shall merge with and into the Company in accordance with the NRS and the separate existence of Subco shall cease and the Company shall continue as the surviving corporation.

(b) Mergeco shall possess all the rights, powers, privileges and franchise and be subject to all the obligations, liabilities and duties of the Company and Subco, all as provided under the NRS.

Section 2.9 Filing of Articles of Merger.

Following receipt of the Requisite Stockholder Vote and the approval of the stockholders of Subco to implement the Merger and subject to the satisfaction or waiver of all of the conditions precedent to the Merger set forth herein, the Company shall file the Articles of Merger and such other documents as required under the NRS to effect the Merger pursuant to the NRS.

Section 2.10 Earn-Out Payments

Following the Effective Date and the completion of the transactions contemplated by this Agreement, Purchaser shall pay to the Company Stockholders, on a Pro Rata Share basis, the following performance earn-out payments:

(a) 15 months following Closing (the "**First Pay-Out Date**"), an amount equal to 10% of (A) the product equal to two times the TTM Company Revenue calculated for the 12-month period immediately following Closing minus (B) the Closing Payment (the "**First Earn-Out Payment**");

(b) 27 months following Closing (the “**Second Pay-Out Date**”), an amount equal to 10% of (A) the product equal to two times the TTM Company Revenue calculated for the 12-month period immediately following the first anniversary of the Closing minus (B) the Closing Payment minus (C) any amounts paid pursuant to the First Earn-Out Payment (the “**Second Earn-Out Payment**”); and

(c) 39 months following Closing (the “**Third Pay-Out Date**”), an amount equal to 10% of (A) the product equal to two times the TTM Company Revenue calculated for the 12-month period immediately following the second anniversary of the Closing minus (B) the Closing Payment minus (C) any amounts paid pursuant to the First Earn-Out Payment minus (D) any amounts paid pursuant to the Second Earn-Out Payment (the “**Third Earn-Out Payment**”).

By way of example and for illustrative purposes only, Appendix I, attached hereto, sets forth a sample calculation of each of the First Earn-Out Payment, the Second Earn-Out Payment and the Third Earn-Out Payment.

Each Earn-Out Payment will be payable in Resulting Issuer Common Shares (the “**Earn-Out Shares**”) at a price per Earn-Out Share equal to the 30-day VWAP of the Resulting Issuer Common Shares for the period ending on the Business Day prior to the date of issuance. All Earn-Out Shares issuable pursuant to this Section 2.10 shall be issued in DRS entry in such Common Stockholder’s name within five Business Days following final resolution of the applicable Earn-Out Payment Certificate pursuant to Section 2.10 or Section 2.12(b).

Section 2.11 Review of Earn-Out Payment Certificate

Within 30 days following the applicable Pay-Out Date, Purchaser shall deliver to the Stockholders Representative a statement, executed by the Chief Financial Officer of Purchaser, setting forth Purchaser’s good faith calculation of the applicable Earn-Out Payment, together with all supporting documentation (the “**Earn-Out Payments Certificate**”). If the Stockholders Representative disagrees with the computation of the applicable Earn-Out Payment set forth in the Earn-Out Payment Certificate, the Stockholders Representative may, within 30 calendar days after its receipt of the Earn-Out Payments Certificate, deliver a notice (an “**Earn-Out Payments Certificate Objection Notice**”) to Purchaser setting forth in reasonable detail which components of the calculation and reasonable supporting details for such disagreement to the extent known at such time. If the Stockholders Representative agrees with the computation of the applicable Earn-Out Payment set forth in the Earn-Out Payment Certificate, the Stockholders Representative shall confirm same in writing to the Purchaser and the Earn-Out Payment Certificate shall be final and binding and the Purchaser shall effect the applicable Earn-Out Payment as soon as practicable and in any event, no later than five Business Days thereafter.

Section 2.12 Dispute Settlement

(a) Purchaser and the Stockholders Representative will attempt in good faith to resolve any disagreements set forth in any Earn-Out Payments Certificate Objection Notice for a period of not less than 30 calendar days. Any disputed items resolved in writing between Purchaser and the Stockholders Representative within such 30 day period shall be final and binding with respect to such items and shall not be subject to appeal or further review, absent Fraud or manifest error. If Purchaser and the Stockholders Representative do not agree in writing on a final resolution of all objections set forth in

the Earn-Out Payments Certificate Objection Notice within such 30 calendar days after delivery of any Earn-Out Payments Certificate Objection Notice, Purchaser and the Stockholders Representative will, as promptly as practicable, jointly retain an independent accounting firm of national recognition to be mutually agreed upon (the "**Earn-Out Payments Firm**") to resolve any remaining disagreements, which determination must be in writing and must set forth, in reasonable detail, the basis therefor and must be based solely on (i) the definitions and other applicable provisions of this Agreement, (ii) a single presentation (which presentations shall be limited to the remaining items in dispute set forth in the Earn-Out Payments Certificate Objection Notice (and not otherwise resolved by Purchaser and the Stockholders Representative in writing)) submitted by each of Purchaser and the Stockholders Representative to the Earn-Out Payments Firm within 15 calendar days after the engagement of such firm (which the Earn-Out Payments Firm shall forward to Purchaser or the Stockholders Representative, as applicable) and (iii) one written response submitted to the Earn-Out Payments Firm within 10 calendar days after receipt of each such other Party's presentation (which the Earn-Out Payments Firm shall forward to Purchaser or the Stockholders Representative, as applicable), and not on independent review, which such determination shall be conclusive and binding on each Party and the Company Stockholders, absent Fraud or manifest error. Purchaser and the Stockholders Representative shall use commercially reasonable efforts to cause the Earn-Out Payments Firm to render a written determination as to each disputed item and the amount of the applicable Earn-Out Payment within 45 days of the date of its engagement, and Purchaser and the Stockholders Representative shall, and shall cause their respective Affiliates and Representatives to, cooperate with the Earn-Out Payments Firm during its engagement. In resolving any disputed item, the Earn-Out Payments Firm may not assign a value to any item greater than the greatest value for such item claimed by either Party or less than the smallest value for such item claimed by either Party. All communications with the Earn-Out Payments Firm must include each of Purchaser and the Stockholders Representative. In acting under this Agreement, the Earn-Out Payments Firm shall function solely as an expert and not as an arbitrator. Purchaser and the Stockholders Representative shall bear the costs and expenses of any dispute resolution pursuant to this Section 2.12, including the fees and expenses of the Earn-Out Payments Firm and any enforcement of the determination thereof, based on the percentage which the portion of the contested amount not awarded to each Party bears to the amount actually contested by such Party, which percentage allocation shall be calculated on an aggregate basis based on the relative dollar values of the amounts in dispute and shall be determined by the Earn-Out Payments Firm at the time the determination of such Earn-Out Payments Firm is rendered on the merits of the matters submitted. The fees and disbursements of the Representatives of each Party incurred in connection with the preparation or review of the Earn-Out Payments Certificate and preparation or review of any Earn-Out Payments Certificate Objection Notice, as applicable, shall be borne by such Party. The determination by the Earn-Out Payments Firm shall be conclusive and binding and judgment may be entered upon the written determination of the Earn-Out Payments Firm in accordance with this Section 2.12.

(b) The Earn-Out Payments Certificate shall be deemed final for the purposes of this Section 2.11 upon the earliest of (i) the date Purchaser and the Stockholders Representative so agree in writing, (ii) the failure of the Stockholders Representative to deliver an Earn-Out Payments Certificate Objection Notice within thirty (30)

calendar days of the date of receipt of the applicable Earn-Out Payments Certificate, and (iii) the resolution of all disputes, pursuant to Section 2.12, by Purchaser and the Stockholders Representative or the Earn-Out Payments Firm.

Section 2.13 Reasonable Cooperation.

At all times prior to the date that the Earn-Out Payments are paid to the Company Stockholders in accordance with Section 2.10, Purchaser shall, and shall cause Mergeco and their respective Subsidiaries to, make available all financial records and personnel that the Stockholders Representative (including any of its Representatives) or the Earn-Out Payments Firm may request, at any time during normal business hours, in connection with the transactions contemplated by Section 2.10, 2.11 and 2.12 subject to execution by the Stockholders Representative of a confidentiality agreement to reasonably ensure the confidentiality of the information provided by Purchaser, Mergeco and their respective Subsidiaries.

Section 2.14 Canadian Tax Treatment.

An Eligible Holder shall be entitled to make a joint income tax election, pursuant to section 85 of the Tax Act (and any analogous provision of provincial income tax law) with respect to the disposition of Company Common Shares under this Merger by providing two signed copies of the necessary joint election form(s) to an appointed representative, as directed by the Purchaser, within 60 days after the Effective Date, duly completed with the details of the Company Common Shares transferred and the applicable agreed amount for the purposes of such joint election(s). Purchaser shall, within 30 days after receiving the completed joint election form(s) from an Eligible Holder, and subject to such joint election form(s) being correct and complete and in compliance with requirements imposed under the Tax Act (or any analogous provision of provincial income tax law), sign and return such form(s) to such Eligible Holder for filing with the Canada Revenue Agency (or any applicable provincial taxation authority). Neither Purchaser, the Company nor any successor corporation shall be responsible for the proper completion and filing of any joint election form, and except for the obligation to sign and return the duly completed joint election form(s) which are received within 60 days of the Effective Date, for any taxes, interest or penalties arising as a result of the failure of an Eligible Holder to properly or timely complete and file such joint election form(s) in the form and manner prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, Purchaser or any successor corporation may choose to sign and return a joint election form received by it more than 60 days following the Effective Date, but will have no obligation to do so.

Section 2.15 Company Debentures.

The Purchaser acknowledges and agrees that following the Effective Time, (i) the Company Debentures will remain outstanding and will continue to be governed in accordance with the terms of the Company Indenture, (ii) that the transactions contemplated by this Agreement will constitute a “Liquidity Event” (as such term is defined in the Company Indenture) entitling the holders of the Company Debentures to convert their Company Debentures for Resulting Issuer Common Shares in accordance with the terms of the Company Indenture, and (iii) all obligations of the Company pursuant to the Company Indenture (including, for greater certainty, the obligation to repay the principal amount outstanding under each such Company Debenture) will become obligations of the Resulting Issuer. The Purchaser agrees to execute and enter into such documents as may be requested by Odyssey, as collateral agent, to give effect to the foregoing, including, without limitation, the Supplemental Indenture.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Section 3.1 Representations and Warranties of Purchaser.

Purchaser represents and warrants to and in favour of the Company as follows, and acknowledges that the Company is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

(a) Each of Purchaser and Subco is a corporation incorporated and validly existing under the laws of their respective jurisdiction of incorporation. In each case, each such entity has all requisite corporate power and authority and is duly qualified and holds all Permits necessary or required to carry on its business as now conducted and in the case of Purchaser, to own, lease or operate the Purchaser Assets, and neither Purchaser nor, to the knowledge of Purchaser, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing the dissolution or winding up of Purchaser or Subco, and Purchaser and Subco have all requisite corporate power and authority to enter into this Agreement and to carry out their obligations hereunder.

(b) The authorized share capital of Purchaser consists of: (i) an unlimited number of Purchaser Common Shares, of which 238,235,947 Purchaser Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of Purchaser; and (ii) an unlimited number of preferred shares, of which no preferred shares are issued and outstanding. Other than described in the Purchaser Disclosure Letter, there are no other options, warrants, other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Purchaser of any securities of Purchaser or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire any shares of Purchaser.

(c) Other than as described in the Purchaser Disclosure Letter, Purchaser has no direct or indirect Subsidiaries nor any investment in any Person or any agreement, option or commitment to acquire any such investment. All of the issued and outstanding securities of Subco are held by Purchaser. Subco has no liabilities and is not party to any agreement other than this Agreement.

(d) Purchaser is conducting its business in compliance in all material respects with all applicable Laws and regulations of each jurisdiction in which it carries on business and has not received a notice of non-compliance, and, to the knowledge of Purchaser, there are no facts that would give rise to a notice of material noncompliance with any such Laws and regulations. Each of Purchaser and its Subsidiaries and their respective Affiliates hold the applicable Cannabis Licenses required to conduct their present business. Each Cannabis License is in full force and effect in all material respects and has not been revoked, suspended, cancelled, rescinded, terminated, modified and has not expired. There are no pending or, to Purchaser’s knowledge, threatened actions by or before any Governmental Authority to revoke, suspend, cancel, rescind, terminate and/or materially adversely modify any Cannabis License. True and complete copies of all of Cannabis Licenses held by Purchaser or its Subsidiaries have been made available to the Company and are set forth in Section 3.1(d) of the Purchaser Disclosure Letter.

(e) No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Authority is required by or with respect to Purchaser and Subco in connection with the execution and delivery of and the performance by Purchaser and Subco of their respective obligations under this Agreement, the Ancillary Agreements and the consummation by Purchaser and Subco of the transactions contemplated hereunder and thereunder.

(f) Since July 31, 2021, (i) Purchaser and its Subsidiaries have operated their respective businesses in the Ordinary Course, and (ii) there has not been any Material Adverse Change with respect to the Purchaser or any of its Subsidiaries.

(g) Each of the execution and delivery of this Agreement and the applicable Ancillary Agreements, the performance by each of Purchaser and Subco of their obligations hereunder and thereunder and the consummation of the transactions contemplated in this Agreement and the applicable Ancillary Agreements, including the Merger and the issue of the Resulting Issuer Common Shares and Resulting Issuer Options and Resulting Issuer Common Shares issuable upon the exercise of the Resulting Issuer Options and Company Warrants in connection with the Merger, 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 material default under (whether after notice or lapse of time or both), (i) any statute, rule or regulation applicable to Purchaser or Subco, including Applicable Securities Laws; (ii) the constating documents, Bylaws or resolutions of Purchaser or Subco; (iii) any material mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which Purchaser or Subco is a party or by which it is bound; or (iv) any judgment, decree or order binding Purchaser or Subco or their respective assets. Upon consummation of the Merger, the Company Stockholders will own the Payment Shares to which each such Company Stockholder is entitled free and clear of any liens.

(h) This Agreement has been duly authorized and executed by Purchaser and Subco and constitutes a valid and binding obligation of each of them and shall be enforceable against each of them 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 principals 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.

(i) Other than this Agreement, the Purchaser is not currently party to any binding agreement in respect of: (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Purchaser whether by asset sale, transfer of shares or otherwise in excess of $100,000 in the aggregate; or (ii) the change of control of the Purchaser (whether by sale or transfer of shares or sale of all or substantially all of the property or assets of the Purchaser or otherwise).

(j) The Purchaser Financial Statements will be prepared in accordance with IFRS consistently applied throughout the periods referred to therein and present fairly, in all material respects, the financial position (including the assets and liabilities, whether

absolute, contingent or otherwise as required by IFRS) of Purchaser as at such dates and the results of its operations and its cash flows for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of Purchaser in accordance with IFRS and there has been no change in accounting policies or practices of Purchaser since July 31, 2020. The Purchaser does not have any outstanding indebtedness or any liabilities or obligations including any unfunded obligation under any Employee plan, whether accrued, absolute, contingent or otherwise as of the date of the applicable Purchaser Financial Statements other than those required to be set forth in such Purchaser Financial Statements by IFRS and as disclosed in writing to the Company on or substantially concurrently with the date of this Agreement. The Purchaser Financial Statements will present fairly, in all material respects, the consolidated financial position, financial performance and cash flows of the Purchaser for the dates and periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal period-end adjustments) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of the Purchaser on a consolidated basis. There has been no material change in the Purchaser's accounting policies since July 31, 2020.

(k) Purchaser is a taxable Canadian corporation for Canadian tax purposes and all Taxes due and payable or required to be collected or withheld and remitted, by Purchaser and Subco have been paid, collected or withheld and remitted as applicable. All tax returns, declarations, remittances and filings required to be filed by Purchaser and Subco 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. Purchaser has not received notice of any examination of any tax return of Purchaser or Subco, and to the knowledge of Purchaser, no such examination is currently in progress by any Governmental Authorities and there are no issues or disputes outstanding with any Governmental Authorities respecting any Taxes that have been paid, or may be payable, by Purchaser or Subco. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Purchaser and its Subsidiaries.

(l) The Purchaser maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; and (ii) transactions are recorded as necessary to permit preparation of financial statements (including the Purchaser Financial Statements) in conformity with IFRS and to maintain accountability for assets.

(m) The Purchaser's current auditors who will audit the Purchaser Financial Statements are independent with respect to the Purchaser within the meaning of the rules of professional conduct applicable to auditors in Canada and there has never been a "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the current or, to the knowledge of the Purchaser, any predecessor auditors of the Purchaser during the last three years.

(n) No Person is entitled to any pre-emptive or any similar rights to subscribe for any Purchaser Common Shares or other securities of Purchaser and no rights to acquire, or instruments convertible into or exchangeable for, any securities in the capital of Purchaser or Subco are outstanding.

(o) No legal or governmental actions, suits, judgments, investigations or proceedings are pending to which Purchaser or Subco, or to the knowledge of Purchaser, the directors or officers of Purchaser or Subco are a party, or to which the Purchaser Assets are subject and, to the knowledge of Purchaser, no such proceedings have been threatened against or are pending with respect to Purchaser or Subco, or with respect to the Purchaser Assets and neither Purchaser or Subco is subject to any judgment, order, writ, injunction, decree or award of any Governmental Authorities. Neither Purchaser, nor any of its Subsidiaries, nor any of the Purchaser Assets or properties, is subject to any material outstanding judgment, order, writ, injunction or decree applicable to Purchaser or any of its subsidiaries on a consolidated basis.

(p) Neither the Purchaser nor Subco is in violation of its organizational documents or in default, in any material respect, in the performance or observance of any obligation, agreement, covenant or condition contained in any material Contract to which it is a party or by which it or its property and the Purchaser Assets may be bound and all material Contracts to which the Purchaser is a party are in good standing in all respects and in full force and effect.

(q) Except as set forth in Section 3.1(q) of the Purchaser Disclosure Letter, the Purchaser owns or has all necessary rights to use (as currently used) all material property and assets owned or used that are necessary in the conduct of the business of the Purchaser as now conducted free and clear of any actual, pending or, to the knowledge of the Purchaser, threatened claims, liens, charges, options, set-offs, free-carried interests, royalties, encumbrances, security interests or other interests whatsoever other than such security interests, liens and encumbrances granted in the Ordinary Course of business by the Purchaser. Such assets comprise all of the assets, properties and rights used in or necessary to the conduct of the business of the Purchaser and are adequate and sufficient to conduct the business of the Purchaser.

(r) Except as set forth in Section 3.1(r) of the Purchaser Disclosure Letter, the Purchaser holds all material permits, licenses, approvals, consents, orders, markings, certificates and like authorizations necessary for it to own, lease and license its property and the Purchaser Assets and carry on its business, as now carried on as of the date of this Agreement, in each jurisdiction where such business is carried on, including, but not limited to, permits, licenses, approvals, consents, orders, certificates and like authorizations from Governmental Authorities(collectively, the "**Permits**").

(s) Section 3.1(s) of the Purchaser Disclosure Letter sets forth a complete and accurate list of all of the following that constitutes material Intellectual Property: (i) registered Intellectual Property, (ii) pending applications for registration of Intellectual Property, (iii) all computer software (other than commercially available, off-the-shelf software with a replacement cost or annual license fee of less than $10,000), and (iv) trade or corporate names and material unregistered trademarks and service marks. Except as would not, individually or in the aggregate, have a Material Adverse Effect with respect to the Purchaser, (i) to the knowledge of the Purchaser, (A) the conduct of the Purchaser's business as currently conducted does not infringe or otherwise violate any Person's registered Intellectual Property and (B) there is no claim of such infringement or other violation pending or to the knowledge of the Purchaser, threatened in writing, against the Purchaser, and (ii) to the knowledge of the Purchaser (A) no Person is infringing or otherwise violating any Intellectual Property owned by the Purchaser and

(B) no claims of such infringement or other violation are pending or threatened in writing against any Person by the Purchaser.

(t) The information technology equipment and related systems owned, used or held for use by the Purchaser ("**Systems**") are reasonably sufficient to operate the business of the Purchaser as currently conducted. During the last three (3) years, to the Purchaser's knowledge, there has been no unauthorized access, use, intrusion, or breach of security, or material failure, breakdown, performance reduction or other adverse event affecting any Systems that has caused any substantial disruption to the use of such Systems or the business of the Purchaser or any material loss or harm to the Purchaser or its personnel, property, or the Purchaser Assets.

(u) The Purchaser has complied in all material respects with all Laws and contractual and fiduciary obligations as to protection and security of personal data to which it is subject. The Purchaser has not received any written inquiries from or been subject to any audit or legal proceeding by any Governmental Authority regarding personal data. The Purchaser has complied with its policies and procedures as to collection, use, processing, storage and transfer of personal data. No legal proceeding alleging (i) a material violation of any Person's privacy rights or (ii) unauthorized access, use or disclosure of personal data has been asserted or threatened in writing to the Purchaser.

(v) Section 3.1(v) of the Purchaser Disclosure Letter sets forth a complete and accurate list of the Purchaser Transaction Approvals. Except as set forth in Section 3.1(v) of the Purchaser Disclosure Letter, there are no third party consents or other approvals required to be obtained in order for the Purchaser to implement the Merger and complete the Acquisition.

(w) Except for those matters that, individually or in the aggregate, would not have a Material Adverse Effect with respect to the Purchaser, (i) the Purchaser is in compliance with all applicable Environmental Laws, which compliance includes obtaining, maintaining or complying with all Permits required under Environmental Laws for the operation of its business, (ii) there is no investigation, suit, claim or action relating to or arising under Environmental Laws (including, without limitation, relating to or arising from the Release, threatened Release or exposure to any Hazardous Material) that is pending or, to the knowledge of the Purchaser, threatened in writing against the Purchaser or any real property currently owned, operated or leased by the Purchaser and (iii) the Purchaser has not received any written notice of, or entered into any order, settlement, judgment, injunction or decree involving uncompleted, outstanding or unresolved liabilities or corrective or remedial obligations relating to or arising under Environmental Laws (including, without limitation, relating to or arising from the Release, threatened Release or exposure to any Hazardous Material).

(x) The Purchaser is not a party to or bound by any collective bargaining agreement and is not currently conducting negotiations with any labour union or employee association.

(y) Other than as disclosed in Section 3.1(y) of the Purchaser Disclosure Letter, the Purchaser does not own any real property. Section 3.1(y) of the Purchaser Disclosure Letter lists: (i) each lease, sublease, license or other agreement and any amendments or modifications thereto relating to all Leased Real Property (each a "**Lease**" and collectively, the "**Leases**"), true and complete copies of which have been made available

to the Company, (ii) the street address of each parcel of Leased Real Property, (iii) the identity of the lessor, lessee and current occupant (if different from lessee) of each such parcel of Leased Real Property, and (iv) the current use of each such parcel of Leased Real Property. The Purchaser and each Subsidiary, as applicable, has a valid and enforceable leasehold interest under each Lease relating to Leased Real Property used by it. Each Lease is in full force and effect and is valid, binding and enforceable in accordance with its terms against the Purchaser or Subsidiary and each other party thereto. Neither the Purchaser nor any Subsidiary is in default nor has it received a notice of default or termination that remains outstanding under any Lease, and to the Purchaser's knowledge, no uncured default or breach on the part of the landlord exists under any Lease, and no event has occurred or circumstance exists which, with the delivery of notice, passage of time or both, would constitute such a breach or default or permit the termination, modification or acceleration of rent under any such Lease. The Leased Real Property comprise all of the real property used or intended to be used in, or otherwise related to, the business of the Purchaser or any of its Subsidiaries.

(z) Other than as disclosed in Section 3.1(z) of the Purchaser Disclosure Letter, no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Purchaser has been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Purchaser, are pending, contemplated or threatened by any Governmental Authority.

(aa) The Purchaser is in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice and there has never been any material labour disruption. There is no action with respect to any employment-related matters, including payment of wages, salary or overtime pay, that has been asserted or is now pending or, to Purchaser's knowledge, threatened by or before any Governmental Authority with respect to any Persons currently or formerly employed (or engaged as an independent contractor) by, or who are or were applicants for employment with, Purchaser or any Subsidiary.

(bb) Other than as set forth in Section 3.1(bb) of the Purchaser Disclosure Letter, neither Purchaser nor Subco are party to any Contract, written or oral, involving an amount in excess of $50,000 other than this Agreement and the Loan Agreement.

(cc) Neither Purchaser nor, to the knowledge of Purchaser, any other party thereto is in default or breach of any Contract of Purchaser and, to the knowledge of Purchaser, there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a default or breach under any Contract of Purchaser which would give rise to a right of termination on the part of any other party to such Contract or would otherwise have a Material Adverse Effect on the Purchaser. Purchaser has not received written, or to the knowledge of Purchaser, other notice of, any alleged breach of or alleged default under or dispute in connection with any Contract or of any intention of any party to any Contract of Purchaser to cancel, terminate or otherwise materially modify or not renew its relationship with the Purchaser.

(dd) Purchaser is not a party to any agreement, nor, to the knowledge of Purchaser, is there any shareholders agreement, pooling agreement, voting trust, or other contract which

in any manner affects the ownership or voting control of any of the securities of Purchaser or Subco.

(ee) Other than as set forth in Section 3.1(ee) of the Purchaser Disclosure Letter, the Purchaser does not have any agreements, plans or practices relating to the payment of any management, consulting, service or other fees or any bonuses, pensions, share of profits or retirement allowance, insurance, health or other Employee benefits or any plan for retirement, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Purchaser for the benefit of any current or former director, officer, Employee or consultant of the Purchaser (each, an "**Employee Plan**"). The Purchaser has made available to the Company the opportunity to review true and complete copies of documents, contracts and arrangements relating to the Employee Plans. The Employee Plans have been established, operated in the Ordinary Course and administered in all material respects in accordance with their terms and applicable Laws.

(ff) Except as set out in the Purchaser Disclosure Letter, none of the directors or officers of the Purchaser or any of its associates or Affiliates has any interest, direct or indirect, in any transaction with the Purchaser that materially affects the Purchaser and its Subsidiaries, taken as a whole.

(gg) Copies of the minute books and records of the Purchaser and Subco made available to the Company in connection with the due diligence investigation of the Purchaser and Subco for the period from July 31, 2018 to the date hereof are all of the minute books of the Purchaser and Subco and contain copies of all material organizational documents, bylaws, shareholder minutes, directors minutes and committee minutes of the Purchaser and Subco.

(hh) There is no Person acting or purporting to act at the request or on behalf of Purchaser that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement.

(ii) The Payment Shares will, on Closing, be issued, and the Earn-Out Shares will, if issued in accordance with the terms and conditions of this Agreement, at the time of issuance be issued, in compliance with all applicable Laws (including Applicable Securities Laws). The Payment Shares, Earn-Out Shares and Resulting Issuer Common Shares issuable upon exercise of the Resulting Issuer Options and Company Warrants have been reserved for issuance by all necessary action on the part of Purchaser and, when issued by Purchaser and delivered by Purchaser, will be validly issued and will be outstanding as fully paid and non-assessable.

(jj) Purchaser is a "reporting issuer" and not on the list of reporting issuers in default in the provinces of British Columbia, Alberta and Ontario and, other than in respect of the Purchaser's failure to file the audited financial statements comprising the Purchaser Financial Statements, is in compliance, in all material respects, with the Applicable Securities Laws of such provinces and the applicable rules and regulations of the CSE. The issued and outstanding Purchaser Common Shares are listed and posted for trading on the CSE, and the Payment Shares, Earn-Out Shares, and Resulting Issuer Common

Shares issuable upon exercise of the Resulting Issuer Options and Company Warrants when, and if, issued, will be listed and posted for trading on the CSE. Other than with respect to the Purchaser Financial Statements, no delisting, suspension of trading in, or cease trading order with respect to, the Purchaser Common Shares or any other securities of Purchaser is in effect, pending or, to the knowledge of Purchaser, threatened, and no legal proceedings have been instituted that might result in any such action being taken or order being made, and no written notification or other communication in writing from a securities regulator threatening to take any such action or make any such order has been received by Purchaser.

(kk) Other than the audited financial statements comprising the Purchaser Financial Statements, Purchaser has prepared and filed with the securities regulators in each of the jurisdictions where it is a "reporting issuer", and under its profile on System for Electronic Document Analysis and Retrieval, all material documents required to be filed by it under Applicable Securities Laws and the rules of the CSE. All documents and information included in the public record were, as of their respective dates, in compliance in all material respects with applicable Laws and did not, as of their respective dates, contain a misrepresentation (as such term is defined in the Securities Act (British Columbia) and its equivalent legislation in the United States), untrue statement of material fact or omit to state a material fact required to be stated therein or required in order to make the statements therein, in light of the circumstances under which they were made. As of the date of this Agreement (i) Purchaser has not filed any confidential material change report or similar document that is not generally available to the public with any securities regulator or any stock exchange, and (ii) there is no adverse "material change" (as such term is defined the *Securities Act* (British Columbia) and its equivalent legislation in the United States) or material fact in respect of Purchaser or the Purchaser Common Shares that has not been generally disclosed (within the meaning of Applicable Securities Laws).

(ll) The Purchaser has conducted all transactions, negotiations, discussions and dealings in full compliance with anti-bribery and anti-corruption Laws and regulations applicable in any jurisdiction in which they are located or conducting business. The Purchaser has not made any offer, payment, promise to pay or authorization of payment of money or anything of value to any government official, or any other person while having reasonable grounds to believe that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a government official, for the purpose of (i) assisting the parties in obtaining, retaining or directing business; (ii) influencing any act or decision of a government official in his or its official capacity; (iii) inducing a government official to do or omit to do any act in violation of his or its lawful duty, or to use his or its influence with a government or instrumentality thereof to affect or influence any act or decision of such government or department, agency, instrumentality or entity thereof; or (iv) securing any improper advantage.

(mm) The operations of the Purchaser are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Applicable Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental

Authority involving the Purchaser with respect to Applicable Money Laundering Laws is, to the knowledge of the Purchaser, pending or threatened.

(nn) The Purchaser's Cash balance as of the Closing Date will equal or exceed the Minimum Cash Balance.

No representation or warranty by Purchaser in this Agreement and no statement contained in the Purchaser Disclosure Letter or any certificate or other document furnished or to be furnished to the Company pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein in any material respect as of the date they were provided, in light of the circumstances in which they are made, not misleading.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Section 4.1 Representations and Warranties of the Company.

The Company represents and warrants to and in favour of Purchaser and Subco as follows, and acknowledges that Purchaser and Subco are relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

(a) The Company is a corporation duly incorporated and validly existing under the laws of the State of Nevada and has all requisite corporate power and corporate authority and is duly qualified and holds all Permits necessary or required to carry on its business as now conducted in each of the jurisdictions it carries on business and to own, lease or operate its assets and properties and neither the Company nor, to the knowledge of the Company, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing the Company's dissolution or winding up, and the Company has all requisite corporate power and corporate authority to enter into this Agreement and to carry out its obligations hereunder.

(b) Other than as set forth in Section 4.1(b) of the Company Disclosure Letter, the Company has no direct or indirect Subsidiaries nor any investment in any Person or any agreement, option or commitment to acquire any such investment.

(c) The Company is conducting its business in compliance in all material respects with all applicable Laws and regulations of each jurisdiction in which it carries on business and has not received a notice of non-compliance, and, to the knowledge of the Company, there are no facts that would give rise to a notice of material noncompliance with any such Laws and regulations. Each of the Company and its Subsidiaries and their respective Affiliates hold the applicable Cannabis Licenses required to conduct their present business. Each Cannabis License is in full force and effect in all material respects and has not been revoked, suspended, cancelled, rescinded, terminated, modified and has not expired. There are no pending or, to the Company's knowledge, threatened actions by or before any Governmental Authority to revoke, suspend, cancel, rescind, terminate and/or materially adversely modify any Cannabis License. True and complete copies of all of Cannabis Licenses held by the Company or its Subsidiaries have been made available to the Purchaser and are set forth in Section 4.1(c) of the Company Disclosure Letter.

(d) Other than as set forth in Section 4.1(d) of the Company Disclosure Letter, no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Authority is required by or with respect to the Company in connection with the execution and delivery of and the performance by the Company of its obligations under this Agreement, the Ancillary Agreements and the consummation by the Company of the transactions contemplated hereunder and thereunder.

(e) Since January 1, 2021 (i) the Company and its Subsidiaries have operated their respective businesses in the Ordinary Course, and (ii) there has not been any Material Adverse Change with respect to the Company.

(f) Each of the execution and delivery of this Agreement and the applicable Ancillary Agreements, the performance by the Company of its obligations hereunder and thereunder and the consummation of the transactions contemplated in this Agreement and the applicable Ancillary Agreements 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 material default under (whether after notice or lapse of time or both), (i) the Articles of Incorporation, Bylaws or resolutions of the Company which are in effect at the date hereof; or (ii) any material mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Company is a party or by which it is bound.

(g) This Agreement has been duly authorized and executed by the Company and constitutes a valid and binding obligation of the Company enforceable against the Company 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 principals 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.

(h) Other than as set forth in Section 4.1(h) of the Company Disclosure Letter, other than this Agreement, the Company is not currently party to any binding agreement in respect of: (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company whether by asset sale, transfer of shares or otherwise in excess of $100,000 in the aggregate; or (ii) the change of control of the Company (whether by sale or transfer of shares or sale of all or substantially all of the property or assets of the Company or otherwise).

(i) Other than as set forth in Section 4.1(i) of the Company Disclosure Letter, the Company Financial Statements are based on the books and records of the Company, and fairly present, in all material respects, the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated.

(j) Other than as set forth in Section 4.1(j) of the Company Disclosure Letter, all Taxes due and payable shown to be due on the Company’s tax returns or required to be collected or withheld and remitted, by the Company have been paid, collected or withheld and remitted as applicable. Other than as set forth in Section 4.1(j) of the Company

Disclosure Letter, all tax returns, declarations, remittances and filings required to be filed by the Company 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. Other than as set forth in Section 4.1(j) of the Company Disclosure Letter, to the knowledge of the Company, no examination of any tax return of the Company is currently in progress by any Governmental Authorities 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 Company. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to the Company.

(k) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets.

(l) The Company Auditors who will audit the audited consolidated financial statements of the Company for the financial year ended December 31, 2021 will be independent public accountants for the purposes of IFRS.

(m) The authorized share capital of the Company is 250,000,000 Company Common Shares. The number of Company Common Shares issued and outstanding as of the date hereof is set out in Section 4.1(m) of the Company Disclosure Letter, each of which is outstanding as fully paid and non-assessable. Except as set forth in Section 4.1(m) of the Company Disclosure Letter, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by the Company of any shares of the Company or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of the Company as of the date hereof. The number of Company Common Shares issued and outstanding as of the Effective Time will be set out in the Company Capitalization Spreadsheet, each of which will be outstanding as fully paid and non-assessable. Except as set forth in the Company Capitalization Spreadsheet, there will be no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by the Company of any shares of the Company or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of the Company as of the Effective Time.

(n) Except as set forth in Section 4.1(n) of the Company Disclosure Letter, the Company is not aware of any legal or governmental actions, suits, judgments, investigations or proceedings to which the Company, or to the knowledge of the Company, the directors or officers of the Company are a party or to which the property and assets of the Company is subject and, to the knowledge of the Company, no such proceedings have been threatened against or are pending with respect to the Company, or with respect to its property and assets, and the Company is not subject to any judgment, order, writ, injunction, decree or award of any Governmental Authority. Neither the Company nor any of its Subsidiaries, nor any of its assets or properties, is subject to any material

outstanding judgment, order, writ, injunction or decree applicable to the Company or any of its Subsidiaries on a consolidated basis.

(o) The Company is not in violation of its organizational documents or, to the Company's knowledge, in default, in any material respect, in the performance or observance of any obligation, agreement, covenant or condition contained in any material Contract to which it is a party or by which it or its property and assets may be bound and all material Contracts to which the Company is a party are in good standing in all respects and in full force and effect, other than the Company is currently in arrears in remitting rental payments to its landlord.

(p) Other than as set forth in Section 4.1(p) of the Company Disclosure Letter, the Company owns or has all necessary rights to use (as currently used) all material property and assets owned or used that are necessary in the conduct of the business of the Company as now conducted free and clear of any actual, pending or, to the knowledge of the Company, threatened claims, liens, charges, options, set-offs, free-carried interests, royalties, encumbrances, security interests or other interests whatsoever other than such security interests, liens and encumbrances granted in the Ordinary Course of business by the Company. Such assets comprise all of the assets, properties and rights used in and necessary to the conduct of the business of the Company and are adequate and sufficient to conduct the business of the Company.

(q) Except as set forth in Section 4.1(q) of the Company Disclosure Letter, the Company holds all material Permits necessary for it to own, lease and license its property and assets and carry on its business, as now carried on as of the date of this Agreement, in each jurisdiction where such business is carried on, including, but not limited to, Permits from Governmental Authorities.

(r) Section 4.1(r) of the Company Disclosure Letter sets forth a complete and accurate list of all of the following that constitutes material Intellectual Property: (i) registered Intellectual Property, (ii) pending applications for registration of Intellectual Property, (iii) all computer software (other than commercially available, off-the-shelf software with a replacement cost or annual license fee of less than $10,000), and (iv) trade or corporate names and material unregistered trademarks and service marks. Except as would not, individually or in the aggregate, have a Material Adverse Effect with respect to the Company, (i) to the knowledge of the Company, (A) the conduct of the Company's business as currently conducted does not infringe or otherwise violate any Person's registered Intellectual Property and (B) there is no claim of such infringement or other violation pending or to the knowledge of the Company, threatened in writing, against the Company, and (ii) to the knowledge of the Company (A) no Person is infringing or otherwise violating any Intellectual Property owned by the Company and (B) no claims of such infringement or other violation are pending or threatened in writing against any Person by the Company.

(s) The Systems are reasonably sufficient to operate the business of the Company as currently conducted. During the last three (3) years, to the Company's knowledge, there has been no unauthorized access, use, intrusion, or breach of security, or material failure, breakdown, performance reduction or other adverse event affecting any Systems that has caused any substantial disruption to the use of such Systems or the

business of the Company or any material loss or harm to the Company or its personnel, property, or other assets.

(t) The Company has complied in all material respects with all Laws and contractual and fiduciary obligations as to protection and security of personal data to which it is subject. The Company has not received any written inquiries from or been subject to any audit or legal proceeding by any Governmental Authority regarding personal data. The Company has complied with its policies and procedures as to collection, use, processing, storage and transfer of personal data. No legal proceeding alleging (i) a material violation of any Person's privacy rights or (ii) unauthorized access, use or disclosure of personal data has been asserted or threatened in writing to the Company.

(u) Except for the Requisite Stockholder Vote required in connection with the Merger or as otherwise set forth in Section 4.1(u) in the Company Disclosure Letter, there are no third party consents or other approvals required to be obtained in order for the Company to complete the Acquisition.

(v) Except for those matters that, individually or in the aggregate, would not have a Material Adverse Effect with respect to the Company, (i) the Company is in compliance with all applicable Environmental Laws, which compliance includes obtaining, maintaining or complying with all Permits required under Environmental Laws for the operation of its business, (ii) there is no investigation, suit, claim or action relating to or arising under Environmental Laws (including, without limitation, relating to or arising from the Release, threatened Release or exposure to any Hazardous Material) that is pending or, to the knowledge of the Company, threatened in writing against the Company or any real property currently owned, operated or leased by the Company and (iii) the Company has not received any written notice of, or entered into any order, settlement, judgment, injunction or decree involving uncompleted, outstanding or unresolved liabilities or corrective or remedial obligations relating to or arising under Environmental Laws (including, without limitation, relating to or arising from the Release, threatened Release or exposure to any Hazardous Material).

(w) Other than as set forth in Section 4.1(w) of the Company Disclosure Letter, the Company is not a party to or bound by any collective bargaining agreement and is not currently conducting negotiations with any labour union or employee association.

(x) The Company does not own any real property. Section 4.1(x) of the Company Disclosure Letter lists: (i) each Lease relating to all Leased Real Property, true and complete copies of which have been made available to the Purchaser, (ii) the street address of each parcel of Leased Real Property, (iii) the identity of the lessor, lessee and current occupant (if different from lessee) of each such parcel of Leased Real Property, and (iv) the current use of each such parcel of Leased Real Property. The Company and each Subsidiary, as applicable, has a valid and enforceable leasehold interest under each Lease relating to Leased Real Property used by it. Each Lease is in full force and effect and is valid, binding and enforceable in accordance with its terms against the Company or Subsidiary and each other party thereto. Neither the Company nor any Subsidiary is in default nor has it received a notice of default or termination that remains outstanding under any Lease, and to the Company's knowledge, no uncured default or breach on the part of the landlord exists under any Lease, and no event has occurred or circumstance exists which, with the delivery of notice, passage of time or both, would constitute such

a breach or default or permit the termination, modification or acceleration of rent under any such Lease. The Leased Real Property comprise all of the real property used or intended to be used in, or otherwise related to, the business of the Company or any of its Subsidiaries.

(y) No order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company has been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened by any Governmental Authority.

(z) Except for employment contracts entered into in the Ordinary Course of business and the agreements set forth in Section 4.1(z) in the Company Disclosure Letter, there are no agreements with holders of Company Common Shares to which the Company is a party or any pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the securities of the Company.

(aa) The Company is in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice and there has never been any material labour disruption. There is no action with respect to any employment-related matters, including payment of wages, salary or overtime pay, that has been asserted or is now pending or, to the Company's knowledge, threatened by or before any Governmental Authority with respect to any Persons currently or formerly employed (or engaged as an independent contractor) by, or who are or were applicants for employment with, the Company or any Subsidiary.

(bb) Other than Employee Plans established or entered into in the Ordinary Course of business by the Company, the Company does not have any Employee Plans. The Company has made available to Purchaser the opportunity to review true and complete copies of documents, contracts and arrangements relating to the Employee Plans. The Employee Plans have been established, operated in the Ordinary Course and administered in all material respects in accordance with their terms and applicable Laws.

(cc) Except as set forth in Section 4.1(cc) of the Company Disclosure Letter, neither the Company nor its Subsidiaries are party to any Contract, written or oral, involving an amount in excess of $50,000, other than this Agreement.

(dd) Neither the Company nor, to the knowledge of the Company, any party thereto is in default or breach of Contract of the Company and, to the knowledge of the Company, there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a default or breach under any Contract of the Company which would give rise to a right of termination on the part of any other party to such Contract or would otherwise have a Material Adverse Effect on the Company. The Company has not received written, or to the knowledge of the Company, other notice of, any alleged breach of or alleged default under or dispute in connection with any Contract or of any intention of any party to any Contract of the Company to cancel, terminate or otherwise materially modify or not renew its relationship with the Company.

(ee) Except as set out in Section 4.1(ee) Company Disclosure Letter, none of the directors or officers of the Company or any of its associates or Affiliates has any interest, direct or indirect, in any transaction with the Company that materially affects the Company and its Subsidiaries, taken as a whole.

(ff) Copies of the minute books and records of the Company made available to Purchaser in connection with the due diligence investigation of the Company for the period from the date of incorporation to the date hereof are all of the minute books of the Company and contain copies of all material organizational documents, bylaws, shareholder minutes, directors minutes and committee minutes of the Company.

(gg) Except as set out in Section 4.1(gg) of the Company Disclosure Letter, there is no Person acting or purporting to act at the request or on behalf of the Company that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated hereby.

(hh) The Company has conducted all transactions, negotiations, discussions and dealings in full compliance with anti-bribery and anti-corruption Laws and regulations applicable in any jurisdiction in which they are located or conducting business. The Company has not made any offer, payment, promise to pay or authorization of payment of money or anything of value to any government official, or any other person while having reasonable grounds to believe that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a government official, for the purpose of (i) assisting the parties in obtaining, retaining or directing business; (ii) influencing any act or decision of a government official in his or its official capacity; (iii) inducing a government official to do or omit to do any act in violation of his or its lawful duty, or to use his or its influence with a government or instrumentality thereof to affect or influence any act or decision of such government or department, agency, instrumentality or entity thereof; or (iv) securing any improper advantage.

(ii) The operations of the Company are and have been conducted at all times in compliance with Applicable Money Laundering Laws and no action, suit or proceeding by or before any Governmental Authority involving the Company with respect to Applicable Money Laundering Laws is, to the knowledge of the Company, pending or threatened.

(jj) The Company is not an "investment company" pursuant to the United States Investment Company Act of 1940, as amended.

(kk) Except for the representations and warranties contained in this Article 4 and the Company Disclosure Letter, the Company makes no other express or implied representation or warranty and hereby disclaims any such representations or warranties.

ARTICLE 5
STOCKHOLDERS REPRESENTATIVE

Section 5.1 Stockholders Representative.

(a) The Stockholders Representative is hereby appointed, authorized and empowered to act as the representative of the Company Stockholders for all purposes hereunder and

for the benefit of the Company Stockholders, as the exclusive agent and attorney-in-fact to act on behalf of each of the Company Stockholders, in connection with and to facilitate the consummation of the Acquisition, which shall include the power, authority and discretion:

(i) to enter into amendments to this Agreement and to execute and deliver any Ancillary Agreements (with such modifications or changes therein as to which the Stockholders Representative, in its sole discretion, shall have consented) and to agree to such amendments or modifications thereto as the Stockholders Representative, in its sole discretion, determines to be desirable, in each case, whether before or after the Closing;

(ii) to execute and deliver such waivers and consents in connection with this Agreement and any Ancillary Agreements and the consummation of the Merger as the Stockholders Representative, in its sole discretion, may deem necessary or desirable;

(iii) to enforce and protect the rights and interests of the Company Stockholders (including the Stockholders Representative, in his capacity as a Company Stockholder) and to enforce and protect the rights and interests of the Stockholders Representative arising out of or under or in any manner relating to this Agreement, and each other agreement, document, instrument or certificate referred to herein or therein or the transactions provided for herein or therein, including the Ancillary Agreements, and to take any and all actions which the Stockholders Representative believes are necessary or appropriate under this Agreement for and on behalf of the Company Stockholders, including asserting or pursuing any Claim against Purchaser, Subco, Mergeco or any of their Affiliates or Representatives, consenting to, compromising or settling any such Claims, conducting negotiations with Purchaser, Subco, Mergeco or any of their Affiliates and Representatives, regarding such Claims, and, in connection therewith, to: (A) assert or institute any Claim; (B) investigate, defend, contest or litigate any Claim initiated by Purchaser, Subco, Mergeco or any other Person, or by any federal, state or local Governmental Authority against the Stockholders Representative or against all Company Stockholders, and receive process on behalf of any or all such Company Stockholders in any such Claim and compromise or settle on such terms as the Stockholders Representative shall determine to be appropriate, and give receipts, releases and discharges with respect to, any such Claim; (C) file any proofs of debt, claims and petitions as the Stockholders Representative may deem advisable or necessary; and (D) file and prosecute appeals from any decision, judgment or award rendered in any such Claim, it being understood that the Stockholders Representative shall not (x) have any obligation to take any such actions, and shall not have any liability for any failure to take any such actions and (y) shall not have the authority to investigate, defend, contest or litigate any Claim (or compromise or settlement thereof) made against one or more Company Stockholders that is not made against all such Persons;

(iv) to refrain from enforcing any right of the Company Stockholders or the Stockholders Representative arising out of or under or in any manner relating to this Agreement, or any other agreement, instrument or document in connection

with the foregoing; provided, however, that no such failure to act on the part of the Stockholders Representative, except as otherwise provided in this Agreement, shall be deemed a waiver of any such right or interest by the Stockholders Representative or by such Company Stockholder unless such waiver is in writing signed by the waiving party or by the Stockholders Representative;

(v) to make, execute, acknowledge and deliver all such other agreements, guarantees, orders, receipts, endorsements, notices, requests, instructions, certificates, stock powers, letters and other writings, and, in general, to do any and all things and to take any and all action that the Stockholders Representative, in its sole and absolute discretion, may consider necessary or proper or convenient in connection with or to implement the Merger, and all other agreements, documents or instruments referred to herein or therein or executed in connection herewith and therewith; and

(vi) to engage such counsel, experts and other agents and consultants as it shall deem necessary in connection with exercising its powers and performing its function hereunder and (in the absence of bad faith on the part of the Stockholders Representative) to conclusively rely on the opinions and advice of such Persons.

(b) This Article 5 and all of the indemnities, immunities and powers granted to the Stockholders Representative hereunder and under this Agreement shall survive the Closing Date or any termination of this Agreement in accordance with its terms.

(c) Except as provided for herein, Purchaser, Subco and Mergeco shall have the right to rely upon all actions taken or omitted to be taken by the Stockholders Representative pursuant to this Agreement and any Ancillary Agreement, as applicable, all of which actions or omissions shall be legally binding upon the Company Stockholders.

(d) The grant of authority provided for herein (i) is coupled with an interest and shall be irrevocable and survive the death, incompetency, bankruptcy or liquidation of any Company Stockholder, and (ii) shall survive the consummation of the Merger.

(e) Upon the written request of any Company Stockholder, the Stockholders Representative shall provide such Person with an accounting of all monies or proceeds (including the Payment Shares and Earn-Out Shares) received and distributed by the Stockholders Representative, in its capacity as the Stockholders Representative, and shall provide such Person with such other reasonable information regarding the Stockholders Representative's actions and its other costs and expenses, in its capacity as the Stockholders Representative, as such Person may reasonably request.

Section 5.2 Indemnification of Stockholders Representative.

Except as contemplated pursuant to Section 5.1(e), the Stockholders Representative shall not be entitled to any fee, commission or other compensation for the performance of its services hereunder, but shall be entitled to the payment by the Company Stockholders of all its expenses incurred as the Stockholders Representative. In connection with this Agreement, and any Ancillary Agreement, and in exercising or failing to exercise all or any of the powers conferred upon the Stockholders Representative

hereunder (i) the Stockholders Representative shall incur no responsibility whatsoever to any Company Stockholder by reason of any error in judgment or other act or omission performed or omitted hereunder or in connection with any such Ancillary Agreement, excepting only responsibility for any act or failure to act which represents gross negligence or willful misconduct, and (ii) the Stockholders Representative shall be entitled to rely on the advice of counsel, public accountants or other independent experts experienced in the matter at issue, and any error in judgment or other act or omission of the Stockholders Representative pursuant to such advice shall in no event subject the Stockholders Representative to liability to any Company Stockholders. Each of the Company Stockholders shall indemnify, pro rata based upon such Person's Pro Rata Share, the Stockholders Representative against all Losses, damages, liabilities, claims, obligations, costs and expenses, including reasonable attorneys', accountants' and other experts' fees and the amount of any judgment against them, of any nature whatsoever (including, but not limited to, any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened or any claims whatsoever), arising out of or in connection with any Claim or in connection with any appeal thereof, relating to the acts or omissions of the Stockholders Representative hereunder or otherwise in his capacity as the Stockholders Representative. The foregoing indemnification shall not apply in the event of any Claim which finally adjudicates the liability of the Stockholders Representative hereunder for its gross negligence or willful misconduct. In the event of any indemnification hereunder, upon written notice from the Stockholders Representative to the Company Stockholders as to the existence of a deficiency toward the payment of any such indemnification amount, each of the Company Stockholders shall promptly deliver to the Stockholders Representative full payment of his or her Pro Rata Share of the amount of such deficiency, in accordance with such Person's Pro Rata Share.

ARTICLE 6
COVENANTS OF THE COMPANY

The Company hereby covenants and agrees with Purchaser as follows until the earlier of the Effective Date or the termination of this Agreement in accordance with its terms:

Section 6.1 Necessary Consents.

The Company shall use its commercially reasonable efforts to obtain from the Company's directors, stockholders and all federal, state or other governmental or administrative bodies such approvals or consents (other than with respect to any BCC License) as are required to complete the transactions contemplated herein. Following the Closing, the Company and Purchaser shall, as promptly as possible, with respect to any BCC License, (a) make, or cause to be made, all filings and submissions required by an Governmental Authority to transfer ownership of such BCC License from the Company to the Purchaser and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary in connection thereof.

Section 6.2 Conduct of Business of the Company.

The Company will operate its business in the Ordinary Course, and to the extent consistent therewith, the Company shall, and shall cause each of its Subsidiaries to, use its reasonable best efforts to preserve substantially intact its and its Subsidiaries' business organization, to keep available the services of its and its Subsidiaries' current officers and employees, to preserve its and its Subsidiaries' present relationships with customers, suppliers, distributors, licensors, licensees, and other Persons having business relationships with it. Without limiting the generality of the foregoing, between the date of this Agreement and the Effective Time, except as otherwise expressly permitted or required by

this Agreement, as required by applicable Law or as set forth in Section 6.2 of the Company Disclosure Letter, the Company shall not, nor shall it permit any of its Subsidiaries to, without the prior written consent of the Purchaser (which consent shall not be unreasonably withheld, conditioned, or delayed):

(a) split, combine, or reclassify any equity securities of the Company or any Subsidiary;

(b) repurchase, redeem, or otherwise acquire, or offer to repurchase, redeem, or otherwise acquire, any securities of the Company or any Subsidiary;

(c) declare, set aside, or pay any dividend or distribution (whether in cash, stock, property, or otherwise) in respect of, or enter into any Contract with respect to the voting of, any shares of its capital stock (other than dividends from its direct or indirect wholly-owned Subsidiaries);

(d) issue, sell, pledge, dispose of or encumber any debt, equity or other securities, except the issuance of Company Common Shares upon the exercise of any outstanding Company Options, Company Warrants, Company Debentures or other convertible securities outstanding on the date hereof;

(e) borrow money or incur any indebtedness for money borrowed or guarantee any such indebtedness of another Person, issue or sell any debt securities or options, warrants, calls, or other rights to acquire any debt securities of the Company or any of its Subsidiaries, guarantee any debt securities of another Person, enter into any "keep well" or other Contract to maintain any financial statement condition of any other Person (other than any wholly-owned Subsidiary of it) or enter into any arrangement having the economic effect of any of the foregoing;

(f) make loans, advances, or other payments, excluding salaries and bonuses at current rates and routine advances to Employees of the Company for expenses incurred in the Ordinary Course or as contemplated pursuant to or in conjunction with the transactions contemplated herein;

(g) acquire, by merger, consolidation, acquisition of stock or assets, or otherwise, any business or Person or division thereof or make any loans, advances, or capital contributions to or investments in any Person;

(h) transfer, license, sell, lease, or otherwise dispose of (whether by way of merger, consolidation, sale of stock or assets, or otherwise) or pledge, encumber, mortgage, or otherwise subject to any lien, any assets, including the capital stock or other equity interests in any Subsidiary of the Company; *provided,* that the foregoing shall not prohibit the Company and its Subsidiaries from transferring, selling, leasing, or disposing of obsolete equipment or assets being replaced, in each case in the Ordinary Course;

(i) adopt or effect a plan of complete or partial liquidation, dissolution, restructuring, recapitalization, or other reorganization;

(j) enter into or amend or modify in any material respect, or consent to the termination of (other than at its stated expiry date), any Contract that is material to the Company and its Subsidiaries or any lease with respect to material real estate or any other Contract or

Lease that, if in effect as of the date hereof would constitute a material Contract or Lease with respect to material real estate hereunder;

(k) institute, settle, or compromise any Claim involving the payment of monetary damages by the Company or any of its Subsidiaries;

(l) declare or pay any dividends or distribute any of the Company's properties or assets to shareholders or otherwise dispose of any of the Company's properties or assets;

(m) alter, amend or propose to alter or amend the Company's articles or by-laws in any manner which may adversely affect the success of the transactions contemplated herein;

(n) except as otherwise permitted or contemplated herein, enter into any transaction or material Contract which is not in the Ordinary Course of business or engage in any business enterprise or activity materially different from that carried on by the Company as of the date hereof;

(o) abandon, allow to lapse, sell, assign, transfer, grant any security interest in otherwise encumber or dispose of any Intellectual Property, or grant any right or license to any Intellectual Property other than pursuant to non-exclusive licenses entered into in the Ordinary Course;

(p) provide any guarantee in respect of the obligations of any Person;

(q) except as may be contemplated pursuant to the Employment Agreement between Micah Anderson and the Company, increase any compensation for any director, officer, Employee or consultant of the Company;

(r) except in respect of capital and operating expenditures at the Company's cannabis manufacturing facility located in Arvin, California, incur any expense in excess of $150,000 individually or make any capital expenditures, other than in the Ordinary Course of business of the Company;

(s) terminate or modify in any material respect, or fail to exercise renewal rights with respect to, any material insurance policy;

(t) adopt or implement any stockholder rights plan or similar arrangement;

(u) organize any new Subsidiary (other than those that are wholly-owned) or acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof;

(v) use funds from its treasury or the net proceeds received by the Company from the exercise of the Company Warrants to address or pay any tax liabilities of any Company Stockholder; or

(w) agree or commit to do any of the foregoing.

Section 6.3 All Other Action.

The Company shall cooperate fully with Purchaser and will use all reasonable commercial efforts to assist Purchaser in its efforts to implement the Merger, unless such cooperation and efforts would subject the Company to liability or would be in breach of applicable statutory or regulatory requirements.

Section 6.4 Updated Company Disclosure Letter.

No later than 5 Business Days prior to Closing, the Company shall deliver an updated Company Disclosure Letter to reflect any updates or changes to the Company Disclosure Letter between the date hereof and the Closing Date. Any new disclosures set forth in such updated Company Disclosure Letter shall not constitute an exception to the representations and warranties set forth in Article 4, shall not limit the rights of Purchaser under this Agreement for any breach by the Company of such representations and warranties and shall not have the effect of satisfying any of the conditions to obligations of Purchaser; *provided,* that (a) if (i) such disclosure by the Company is made in order to set forth any matter, fact or item first occurring or arising after the date hereof and (ii) Purchaser has the right to, but does not elect to, terminate this Agreement in accordance with Section 10.1, then from and after the Closing, the Purchaser shall be deemed to have irrevocably waived its right to indemnification under Article 11 with respect to such matter; or (b) if such disclosure is made in order to set forth any matter, fact or item first occurring or arising on or prior to the date hereof, then from and after the Closing, Purchaser shall have the right to indemnification pursuant to Article 11 with respect to such matter, and the applicable representation and warranty (and related schedule in the Company Disclosure Letter) shall be read for purposes of Article 11 as if such disclosure had not been made by the Company hereunder.

Section 6.5 Company Capitalization Spreadsheet.

Three (3) Business Days prior to Closing, the Company shall deliver the Company Capitalization Spreadsheet to the Purchaser.

Section 6.6 Company Information Statement.

The Company shall promptly, but in no event later than ten (10) Business Days after the date hereof arrange to provide to each Company Stockholder an information statement (as amended or supplemented, the "**Information Statement**"), for Company Stockholders to adopt this Agreement and approve the Merger. The Information Statement shall include information regarding (i) the Company and the Purchaser (the latter of which shall be furnished by the Purchaser no later than five (5) Business Days after the date hereof), (ii) the terms of the Merger and this Agreement, (ii) the notice of appraisal rights required pursuant to the NRS to Company Stockholders who may be entitled to elect appraisal rights under such Laws, (iv) the notice required by Section 92A.410 of the NRS, and (v) the written consent of the Company Stockholder and Accredited Investor Certification to be executed by the Company Stockholders who have not yet executed the Accredited Investor Certifications and written consent of the Company Stockholder.

Section 6.7 Audited Company Financial Statements

On or before 120 days following the Closing Date, the Company shall provide to the Purchaser audited financial statements of the Company for the periods ended December 31, 2021 and 2020,

prepared in accordance with IFRS and, if any, unaudited interim financial statements of the Company most recently ended prior to the Closing Date prepared in accordance with IFRS.

Section 6.8 Notices of Certain Events

Subject to applicable Law, the Company shall notify the Purchaser and Subco, promptly of: (a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; (b) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and (c) any event, change, or effect between the date of this Agreement and the Effective Time which individually or in the aggregate causes or is reasonably likely to cause or constitute: (i) a material breach of any of its representations, warranties, or covenants contained herein, or (ii) the failure of any of the conditions set forth in Section 8.1 of this Agreement to be satisfied; provided that, the delivery of any notice pursuant to this Section 6.7 shall not cure any breach of, or noncompliance with, any other provision of this Agreement or limit the remedies available to the party receiving such notice.

ARTICLE 7
COVENANTS OF PURCHASER

Purchaser hereby covenants and agrees with the Company as follows until the earlier of the Effective Date or the termination of this Agreement in accordance with its terms, or as otherwise set forth in the applicable covenant:

Section 7.1 Necessary Consents.

Purchaser shall use its reasonable efforts to obtain from Purchaser's directors, shareholders, if applicable, and all federal, provincial, municipal or other governmental or administrative bodies such approvals or consents as are required to complete the transactions contemplated herein. Following the Closing, the Company and Purchaser shall, as promptly as possible, with respect to any BCC License, (a) make, or cause to be made, all filings and submissions required by an Governmental Authority to transfer ownership of such BCC License from the Company to the Purchaser and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary in connection thereof.

Section 7.2 Non-Solicitation.

Purchaser hereby covenants and agrees until the Termination Date not to, directly or indirectly, solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Acquisition, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities of Purchaser, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Acquisition, including, without limitation, allowing access to any third party (other than its representatives) to conduct due diligence, nor to permit any of its officers or directors to do so, except as required by statutory obligations or in respect of which Purchaser board of directors determines, in

its good faith judgment, after receiving advice from its legal advisors, that failure to recommend such alternative transaction to Purchaser shareholders would be a breach of its fiduciary duties under applicable law. In the event Purchaser or any of its Affiliates, including any of their officers or directors, receives any form of offer or inquiry in respect of any of the foregoing, Purchaser shall forthwith (in any event within one (1) Business Day following receipt) notify the Company of such offer or inquiry and provide the Company with such details as it may request.

Section 7.3 Conduct of Business of the Purchaser

Purchaser will operate its business in the Ordinary Course, and to the extent consistent therewith, the Purchaser shall, and shall cause each of its Subsidiaries to, use its reasonable best efforts to preserve substantially intact its and its Subsidiaries' business organization, to keep available the services of its and its Subsidiaries' current officers and employees, to preserve its and its Subsidiaries' present relationships with customers, suppliers, distributors, licensors, licensees, and other Persons having business relationships with it. Without limiting the generality of the foregoing, between the date of this Agreement and the Effective Time, except as otherwise expressly permitted or required by this Agreement, or as required by applicable Law, the Purchaser shall not, nor shall it permit any of its Subsidiaries to, without the prior written consent of the Company (which consent shall not be unreasonably withheld, conditioned, or delayed):

(a) split, combine, or reclassify any equity securities of the Purchaser or any Subsidiary;

(b) repurchase, redeem, or otherwise acquire, or offer to repurchase, redeem, or otherwise acquire, any securities of the Purchaser or any Subsidiary;

(c) declare, set aside, or pay any dividend or distribution (whether in cash, stock, property, or otherwise) in respect of, or enter into any Contract with respect to the voting of, any shares of its capital stock (other than dividends from its direct or indirect wholly-owned Subsidiaries);

(d) issue, sell, pledge, dispose of or encumber any debt, equity or other securities, except in connection with or the transactions contemplated herein;

(e) borrow money or incur any indebtedness for money borrowed or guarantee any such indebtedness of another Person, issue or sell any debt securities or options, warrants, calls, or other rights to acquire any debt securities of the Purchaser or any of its Subsidiaries, guarantee any debt securities of another Person, enter into any "keep well" or other Contract to maintain any financial statement condition of any other Person (other than any wholly-owned Subsidiary of it) or enter into any arrangement having the economic effect of any of the foregoing;

(f) make any loans, advances or other payments other than payment of professional fees or expenses in connection with or ancillary to the transactions contemplated herein;

(g) acquire, by merger, consolidation, acquisition of stock or assets, or otherwise, any business or Person or division thereof or make any loans, advances, or capital contributions to or investments in any Person;

(h) transfer, license, sell, lease, or otherwise dispose of (whether by way of merger, consolidation, sale of stock or assets, or otherwise) or pledge, encumber, mortgage, or

otherwise subject to any lien, any assets, including the capital stock or other equity interests in any Subsidiary of the Purchaser; *provided, that* the foregoing shall not prohibit the Purchaser and its Subsidiaries from transferring, selling, leasing, or disposing of obsolete equipment or assets being replaced, in each case in the Ordinary Course;

(i) adopt or effect a plan of complete or partial liquidation, dissolution, restructuring, recapitalization, or other reorganization;

(j) enter into or amend or modify in any material respect, or consent to the termination of (other than at its stated expiry date), any Contract that is material to the Purchaser and its Subsidiaries or any lease with respect to material real estate or any other Contract or Lease that, if in effect as of the date hereof would constitute a material Contract or Lease with respect to material real estate hereunder;

(k) institute, settle, or compromise any Claim involving the payment of monetary damages by the Purchaser or any of its Subsidiaries;

(l) declare or pay any dividends or distribute any of Purchaser's properties or assets to shareholders or otherwise of any of the Purchaser's properties or assets;

(m) alter, amend or propose to alter or amend Purchaser's notice of articles or articles in any manner which may adversely affect the success of the transactions contemplated herein;

(n) except as otherwise permitted or contemplated herein, enter into any transaction or material Contract which is not in the Ordinary Course of business or engage in any business enterprise or activity materially different from that carried on by Purchaser as of the date hereof;

(o) abandon, allow to lapse, sell, assign, transfer, grant any security interest in otherwise encumber or dispose of any Intellectual Property, or grant any right or license to any Intellectual Property other than pursuant to non-exclusive licenses entered into in the Ordinary Course;

(p) provide any guarantee in respect of the obligations of any person;

(q) increase any compensation for any director, officer, Employee or consultant of Purchaser;

(r) incur any expense in excess of $100,000 individually or in the aggregate or make any capital expenditures, other than in the Ordinary Course of business of the Purchaser;

(s) terminate or modify in any material respect, or fail to exercise renewal rights with respect to, any material insurance policy;

(t) adopt or implement any stockholder rights plan or similar arrangement;

(u) organize any new Subsidiary (other than those that are wholly-owned) or acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial

portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof;

(v) use funds from its treasury or the net proceeds received by the Purchaser from the exercise of any outstanding convertible securities of the Purchaser to address or pay any tax liabilities of any shareholder of the Purchaser; or

(w) agree or commit to do any of the foregoing.

Section 7.4 Reasonable Best Efforts.

Purchaser and Subco shall cooperate fully with the Company and will use all reasonable best efforts to assist the Company in its efforts to consummate and make effective, and to satisfy all conditions to, as promptly as reasonably practicable (and in any event no later than the date that is 60 days following the date hereof), the Merger and the transactions contemplated by this Agreement, including*:* (i) the obtaining of all necessary Permits, waivers, and actions or nonactions from a Governmental Authority and the making of all necessary registrations, filings, and notifications (including filings with a Governmental Authority) and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any a Governmental Authority; (ii) the obtaining of all necessary consents or waivers from third parties; and (iii) the execution and delivery of any additional instruments necessary to consummate the Merger and to fully carry out the purposes of this Agreement, including without limitation the Supplemental Indenture. Purchaser and Subco shall, subject to applicable Law, promptly: (A) cooperate and coordinate with the Company in the taking of the actions contemplated by clauses (i), (ii), and (iii) immediately above; and (B) supply the Company with any information that may be reasonably required in order to effectuate the taking of such actions. Purchaser and Subco shall promptly inform the Company of any communication from any Governmental Authority regarding any of the transactions contemplated by this Agreement.

Section 7.5 Notices of Certain Events

Subject to applicable Law, Purchaser and Subco shall notify the Company, promptly of: (a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; (b) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and (c) any event, change, or effect between the date of this Agreement and the Effective Time which individually or in the aggregate causes or is reasonably likely to cause or constitute: (i) a material breach of any of its representations, warranties, or covenants contained herein, or (ii) the failure of any of the conditions set forth in Section 8.2 of this Agreement to be satisfied; provided that, the delivery of any notice pursuant to this Section 7.5 shall not cure any breach of, or noncompliance with, any other provision of this Agreement or limit the remedies available to the party receiving such notice.

Section 7.6 Subco.

Subco shall be validly subsisting and in good standing under the NRS immediately prior to the Merger. Purchaser covenants and agrees that Subco shall not carry on any business, shall not enter into any contracts, agreements, commitments, indentures or other instruments prior to the Closing Date other than as required to effect the Merger and shall be debt free as of the time of the Merger.

Section 7.7 Stockholder Approval.

Subject to and conditioned upon a determination at any time that approval of this Agreement, the Merger and the transaction contemplated hereby by the Purchaser's stockholders and/or the CSE is required at any time under applicable Law (including Applicable Securities Laws) or by the rules and regulations of the CSE, the Purchaser shall:

(a) promptly notify the Company of such fact;

(b) as promptly as practicable after the date thereof, prepare with the assistance, cooperation and commercially reasonable efforts of the Company, and file with all applicable Governmental Authorities (including the CSE, as applicable) all necessary statements, documents, materials for the purpose of (i) soliciting proxies from Purchaser's stockholders for the approval of this Agreement and the Merger and (ii) approval of all Governmental Authorities (including the CSE) of the Agreement, the Merger and the issuance of all Resulting Issuer Common Shares (collectively, "**Purchaser Transaction Approvals**"); and

(c) take any and all reasonable and necessary actions required to satisfy the requirements of applicable Law, Applicable Securities Law and the regulations of the CSE in connection with the Purchaser Transaction Approvals, if any.

Section 7.8 Warrant Exercise Price.

The Purchaser covenants and agrees that it will not, for a period of 6 months following the Closing Date, reduce the exercise price of any outstanding warrants to purchase Purchaser Common Shares.

Section 7.9 Further Assurances.

Purchaser will take all action necessary to cause Subco to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement. At and after the Effective Time, the officers and directors of Mergeco shall execute and deliver, in the name and on behalf of Mergeco, any deeds, bills of sale, assignments, or assurances and to take and do, in the name and on behalf of Mergeco, any other actions and things to vest, perfect, or confirm of record or otherwise in Mergeco any and all right, title, and interest in, to and under any of the rights, properties, or assets of the Company acquired or to be acquired by Mergeco as a result of, or in connection with, the Merger.

Section 7.10 Updated Purchaser Disclosure Letter.

No later than 5 Business Days prior to Closing, the Purchaser shall deliver an updated Purchaser Disclosure Letter to reflect any updates or changes to the Purchaser Disclosure Letter between the date hereof and the Closing Date. Any new disclosures set forth in such updated Purchaser Disclosure Letter shall not constitute an exception to the representations and warranties set forth in Article 3, shall not limit the rights of the Company under this Agreement for any breach by the Purchaser of such representations and warranties and shall not have the effect of satisfying any of the conditions to obligations of Company; *provided,* that (a) if (i) such disclosure by the Purchaser is made in order to set forth any matter, fact or item first occurring or arising after the date hereof and (ii) the Company has the right to, but does not elect to, terminate this Agreement in accordance with Section 10.1, then from and

after the Closing, the Company shall be deemed to have irrevocably waived its right to indemnification under Article 11 with respect to such matter; or (b) if such disclosure is made in order to set forth any matter, fact or item first occurring or arising on or prior to the date hereof, then from and after the Closing, Company shall have the right to indemnification pursuant to Article 11 with respect to such matter, and the applicable representation and warranty (and related schedule in the Purchaser Disclosure Letter) shall be read for purposes of Article 11 as if such disclosure had not been made by the Purchaser hereunder.

ARTICLE 8
CONDITIONS PRECEDENT

Section 8.1 Conditions for the Benefit of Purchaser.

The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of Purchaser and may be waived, in whole or in part, by Purchaser in its sole discretion:

(a) **Truth of Representations and Warranties.** With respect to the representations and warranties of the Company set forth in Article 4 (in each case as qualified by the Company Disclosure Letter and as updated pursuant to Section 6.4):

(i) the Company Fundamental Representations shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as if made on and as of the Closing Date;

(ii) the representations and warranties made by the Company in this Agreement that are qualified by materiality or the expression “Material Adverse Effect” shall be true and correct as of the date of this Agreement and as of the Closing Date as if made on and as of the Closing Date; and

(iii) all other representations and warranties of the Company in this agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as if made on and as of the Closing Date,

in each case except to the extent that such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date.

(b) **Performance of Obligations.** The Company shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by the Company at or prior to the Closing Date.

(c) **Approvals and Consents.** All required approvals, consents and authorizations of third parties in respect of the transactions contemplated herein, including without limitation all necessary shareholder and regulatory approvals (other than with respect to the Company’s BCC Licenses, which may be obtained after Closing), shall have been obtained on terms acceptable to Purchaser acting reasonably.

(d) **Deliveries.** The Company shall deliver or cause to be delivered to Purchaser the closing documents set forth in Section 9.2 in a form satisfactory to Purchaser acting reasonably.

(e) **Proceedings.** All proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement shall be satisfactory in form and substance to Purchaser, acting reasonably, and Purchaser shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or closing of such transactions and the taking of all necessary proceedings in connection therewith.

(f) **No Legal Action or Prohibition of Law.** There shall be no action or proceeding pending or threatened by any Person in any jurisdiction, or any applicable Laws proposed, enacted, promulgated or applied, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or which could reasonably be expected to result in a Material Adverse Effect on the Company.

(g) **Securities Law Exemptions.** The issuance of all securities of the Resulting Issuer contemplated hereunder to be issued in connection with the Merger or otherwise pursuant to this Agreement shall be exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and all applicable state securities Laws and shall be exempt from the prospectus requirements of Applicable Securities Laws in Canada either by virtue of exemptive relief from the securities authorities of each of the provinces of Canada or by virtue of exemptions under Applicable Securities Laws and shall not be subject to resale restrictions under Applicable Securities Laws.

(h) **Company Capitalization Spreadsheet**. The Purchaser shall have received the Company Capitalization Spreadsheet, in a form satisfactory to the Purchaser, acting reasonably.

Section 8.2 Conditions for the Benefit of the Company.

The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of the Company and may be waived, in whole or in part, by the Company in its sole discretion:

(a) **Truth of Representations and Warranties.** With respect to the representations and warranties of Purchaser set forth in Article 3 of this Agreement:

(i) the Purchaser Fundamental Representations shall be true and correct in all respects as of the Closing Date as if made on and as of the Closing Date;

(ii) the representations and warranties made by Purchaser in this Agreement that are qualified by materiality or the expression "Material Adverse Effect" shall be true and correct as of the Closing Date as if made on and as of the Closing Date; and

(iii) all other representations and warranties of Purchaser in this Agreement shall be true and correct in all material respects as if made on and as of the Closing Date,

in each case, except to the extent that such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date.

(b) **Performance of Obligations.** Purchaser shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by Purchaser at or prior to the Closing Date.

(c) **No Material Adverse Change**. There shall have been no Material Adverse Change in the business, results of operations, assets, liabilities, financial condition or affairs of Purchaser or any subsidiaries of the Purchaser, or any change that would, individually or in the aggregate, reasonably be expected to constitute a Material Adverse Change.

(d) **Approvals and Consents.** All required approvals, consents and authorizations of third parties in respect of the transactions contemplated herein, including without limitation all necessary shareholder and regulatory approvals (other than with respect to the Company's BCC Licenses, which will be obtained after Closing), shall have been obtained on terms acceptable to the Company acting reasonably.

(e) **Issuance.** The Resulting Issuer Common Shares that are issued as consideration for the Company Common Shares at Closing shall be issued as fully paid and non-assessable Resulting Issuer Common Shares, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature;

(f) **Securities Law Exemptions.** The issuance of all securities of the Resulting Issuer contemplated hereunder to be issued in connection with the Merger or otherwise pursuant to this Agreement shall be exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and all applicable state securities Laws and shall be exempt from the prospectus requirements of Applicable Securities Laws in Canada either by virtue of exemptive relief from the securities authorities of each of the provinces of Canada or by virtue of exemptions under Applicable Securities Laws and shall not be subject to resale restrictions under Applicable Securities Laws.

(g) **Deliveries.** Purchaser and Subco, as applicable shall deliver or cause to be delivered to the Company, the closing documents as set forth in Section 9.3 in a form satisfactory to the Company, acting reasonably.

(h) **Proceedings.** All proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement shall be satisfactory in form and substance to the Company, acting reasonably, and the Company shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or closing of such transactions and the taking of all necessary proceedings in connection therewith.

(i) **No Legal Action or Prohibition of Law.** There shall be no action or proceeding pending or threatened by any Person in any jurisdiction, or any applicable Laws proposed, enacted, promulgated or applied, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or which could reasonably be expected to result in a Material Adverse Effect on Purchaser.

(j) **Requisite Stockholder Vote**. This Agreement and the Merger shall have been approved by the Requisite Stockholder Vote.

(k) **Purchaser Transaction Approvals**. All Purchaser Transaction Approvals, if any, shall have been obtained and the Company shall have received evidence satisfactory to the Company to that effect.

(l) **Cash Balance**. The Purchaser's Cash shall equal or exceed the Minimum Cash Balance.

(m) **Purchaser Financial Statements**. The Purchaser shall have filed (i) audited financial statements (including the related notes thereto) of the Company and its consolidated subsidiaries for the year ended July 31, 2021, (ii) unaudited income statement of the Company and its consolidated subsidiaries for the three months ended October 31, 2021, and (iii) unaudited statement of financial position of the Company and its subsidiaries dated October 31, 2021, such financial statements having been prepared in conformity with IFRS.

(n) **No Cease Trade Order**. The Purchaser shall have delivered evidence satisfactory to the Company that the Purchaser is not subject to any cease trade or other order of any applicable stock exchange or securities regulatory authority which may operate to prevent or restrict trading of any securities of the Purchaser, and no such order being pending before any applicable stock exchange or securities regulatory authority, whether as a result of any failure of the Company to file the financial statements pursuant to Section 8.2(m) or otherwise (including, for greater certainty, the management cease trade in effect as of the date of this Agreement).

(o) **Purchaser's Liabilities**. The Purchaser's liabilities as determined in accordance with IFRS, excluding lease payable, payroll payable, derivative liability and accounts payable shall not exceed $500,000.

(p) **Issuance of Purchaser Common Shares to Mark Smith**. Immediately prior to the Closing, the 15,000,000 Purchaser Common Shares payable to Mark Smith in accordance with the terms of the Smith Employment Agreement shall have been issued and deposited in escrow with a third-party escrow agent pursuant to the terms of the Escrow Agreement.

ARTICLE 9
CLOSING

Section 9.1 Time of Closing.

The Closing of the transactions contemplated herein shall be held remotely via the electronic exchange of counterpart signature pages on the Closing Date, or in such other manner or at such other time or date as the parties may mutually agree upon in writing.

Section 9.2 Company Closing Documents.

On Closing, the Company shall deliver to Purchaser the following documents:

(a) a certificate signed on behalf of the Company by a duly authorized officer certifying as to (i) the Company's Articles of Incorporation and Bylaws in effect immediately prior to

Closing, (ii) the resolutions of the board of directors of the Company approving the Merger and the transactions contemplated hereby, (ii) receipt of the Requisite Stockholder Approval for the Merger and (iv) the incumbency of the officers and directors of the Company executing the documents contemplated by this Agreement.

(b) a certificate signed on behalf of the Company by a duly authorized officer of the Company to the effect of Section 8.1(a) and Section 8.1(b);

(c) executed counterpart and delivery of the applicable Employment Agreements by Micah Anderson;

(d) a certificate of good standing from the Secretary of State of Nevada;

(e) a Lock-Up Agreement, duly executed by each Company Key Personnel; and

(f) the Articles of Merger, duly executed by an authorized officer of the Company.

Section 9.3 Purchaser's Closing Documents.

On Closing, Purchaser shall deliver to the Company the following:

(a) evidence that the the Payment Shares have been registered in the name of the Depositary in trust for the former holders of Company Common Shares;

(b) a certificate signed on behalf of Purchaser by a duly authorized officer of Purchaser certifying as to (i) Purchaser's constating documents in effect immediately prior to Closing, (ii) the resolutions of the board of directors of Purchaser approving the Merger and the transactions contemplated hereby, (iii) any Purchaser Transaction Approvals and (iv) the incumbency of the officers and directors of Purchaser executing the documents contemplated by this Agreement;

(c) a certificate signed on behalf of Subco by a duly authorized officer of Subco certifying as to (i) Subco's constating documents in effect immediately prior to Closing, (ii) the resolutions of the board of directors of Subco approving the Merger and the transactions contemplated hereby, and (iii) the incumbency of the officers and directors of Subco executing the documents contemplated by this Agreement;

(d) a certificate of status for Purchaser from the jurisdiction in which Purchaser is incorporated, dated as of a date not earlier than two (2) days prior to the Closing;

(e) a certificate of status for Subco from the jurisdiction in which Subco is incorporated, dated as of a date not earlier than two (2) days prior to the Closing;

(f) a certificate signed on behalf of the Purchaser by a duly authorized officer of the Purchaser to the effect of Section 9.2(a), (b) and (c);

(g) executed counterpart signature pages to the Employment Agreement of Micah Anderson;

(h) if required pursuant to CSE rules applicable to Purchaser, the consent of the CSE in respect of the Acquisition and the issuance of the Payment Shares, Resulting Issuer

Options and Resulting Issuer Common Shares upon exercise of the Company Warrants as contemplated in this Agreement;

(i) the Articles of Merger, duly executed by an authorized officer of Subco;

(j) the Supplemental Indenture, duly executed by an authorized officer of Purchaser and Odyssey Trust Company, as both trustee and collateral agent;

(k) a certificate signed on behalf of the Purchaser by the Purchaser's Chief Financial Officer certifying (i) as to Purchaser's Cash balance, (ii) that the Purchaser's liabilities as determined in accordance with IFRS excluding lease payable, payroll payable, derivative liability and accounts payable do not exceed $500,000 and (iii) attaching evidence satisfactory to the Company as to such Cash balance and liabilities thereto;

(l) a Lock-Up Agreement, duly executed by each Purchaser Key Personnel; and

(m) such other certificates, documents, schedules, agreements, resolutions, consents, approvals, rulings or other instruments as may be reasonably requested by the Company or the Shareholder Representative in order to effectuate or evidence the transactions contemplated hereby.

ARTICLE 10
TERMINATION

Section 10.1 Termination.

This Agreement may be terminated at any time prior to Closing (the "**Termination Date**") in any of the following circumstances:

(a) written agreement of the Parties to terminate this Agreement;

(b) by written notice from Purchaser if there has been a breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of the Company and (i) the Company has not cured such breach within ten (10) Business Days after Purchaser delivers written notice of such breach to the Company (*provided*, *however*, that, no cure period shall be required for a breach which by its nature cannot be cured) and (ii) if not cured within such ten (10) Business Day period and at or prior to the Closing, such breach would result in the failure of any of the conditions set forth in Section 8.1 to be satisfied, provided further, that Purchaser shall not have the right to terminate this Agreement pursuant to this Section 10.1(b) if the Purchaser or Subco is then in material breach of any representation, warranty, covenant, or agreement hereunder that would cause any condition set forth in Section 8.2 not to be satisfied.

(c) by written notice from Company if (i) there has been a breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of the Purchaser or Subco and (i) the Purchaser or Subco has not cured such breach within ten (10) Business Days after Company delivers written notice of such breach to the Purchaser or Subco (*provided*, *however*, that, no cure period shall be required for a breach which by its nature cannot be cured) and (ii) if not cured within such ten (10) Business Day period and at or prior to the Closing, such breach would result in the

failure of any of the conditions set forth in Section 8.2 to be satisfied, provided further, that Company shall not have the right to terminate this Agreement pursuant to this Section 10.1(c) if the Company is then in material breach of any representation, warranty, covenant, or agreement hereunder that would cause any condition set forth in Section 8.1 not to be satisfied.

(d) by written notice from either Purchaser or the Company if: (i) the Effective Time has not occurred on or before 5:00 p.m. (Vancouver time) on March 22, 2022 (*provided*, *however*, that the right to terminate this Agreement under this Section 10.1(d) shall not be available to any Party whose willful breach has been the cause of, or resulted in, the failure of the Effective Time to occur on or before such date), (ii) there shall be a final and non-appealable order of any Governmental Authority in effect preventing consummation of the Merger, (iii) there shall be any final and non-appealable Law or order enacted, promulgated or issued or deemed applicable to the Merger by any Governmental Authority that would make consummation of the Merger illegal, or (iv) if the Company Stockholders do not ratify and approve the Merger Agreement.

Section 10.2 Notice and Effect of Termination.

The Party desiring to terminate this Agreement pursuant to this Article 10 shall deliver written notice of such termination to each other Party specifying with particularity the reason for such termination, and any such termination in accordance with this Section 10.2 shall be effective immediately upon delivery of such written notice to the other party. If this Agreement is terminated pursuant to this Article 10, it will become void and of no further force and effect, with no liability on the part of any party to this Agreement (or any shareholder, director, officer, Employee, agent, or Representative of such party) to any other party hereto; *provided*, *however*, that Purchaser, Subco and the Company shall each remain liable for any breaches of this Agreement prior to its termination; and *provided further* that, the provisions of this Section 10.2, Article 12 and the applicable definitions set forth in Article 1 shall remain in full force and effect and survive any termination of this Agreement.

ARTICLE 11
INDEMNIFICATION

Section 11.1 Indemnification by the Company Stockholders.

Subject to the limits set forth in this Article 11, from and after the Closing, each Company Stockholder shall severally (according to such Company Stockholder's Pro Rata Share), and not jointly and severally, indemnify, defend and hold harmless Purchaser and each of Purchaser's Affiliates, officers, agents, representatives, directors, employees, successors and assigns (Purchaser and such Persons are collectively hereinafter referred to as the "**Purchaser Indemnified Persons**"), from and against any and all Losses that such Purchaser Indemnified Persons may suffer, sustain, incur or become subject to, arising out of, caused by or directly or indirectly relating to:

(a) any inaccuracy of any representation or warranty of the Company set forth in Article 4 of this Agreement (as supplemented or qualified by the Company Disclosure Letter) or in any certificate, agreement or other document delivered pursuant hereto; and

(b) the breach or non-fulfillment of any covenant, undertaking, agreement or other obligation of the Company under this Agreement, or any certificate, agreement or other document delivered pursuant hereto.

Section 11.2 Indemnification by Purchaser.

Subject to the limits set forth in this Article 11, from and after the Closing, Purchaser shall indemnify, defend and hold harmless each of the Company Stockholders and each of their respective Affiliates, officers, controlling Persons, agents, representatives, directors, employees, successors and assigns (such Persons are hereinafter collectively referred to as the "**Company Stockholder Indemnified Persons**"), from and against any and all Losses that such Company Stockholder Indemnified Persons may suffer, sustain, incur or become subject to arising out of, caused by or directly or indirectly relating to:

(a) any inaccuracy of any representation or warranty of Purchaser set forth in Article 3 of this Agreement (as supplemented or qualified by the Purchaser Disclosure Letter) or in any certificate, agreement or other document delivered pursuant hereto; and

(b) the breach or non-fulfillment of any covenant, undertaking, agreement or other obligation of Purchaser or Subco under this Agreement or in any certificate, agreement or other document delivered pursuant hereto.

Section 11.3 Survival of Representations and Warranties.

(a) The representations and warranties contained in this Agreement (other than the Fundamental Representations), or in any certificate or document delivered pursuant hereto, and the right to indemnity pursuant to Section 11.1(a) and 11.2(a) in connection therewith, shall survive the Closing and shall remain in full force and effect thereafter for a period of twelve (12) months after the Closing Date (the **"Expiration Date**") and shall thereupon terminate and be of no further force or effect;

(b) The Fundamental Representations (and the right to indemnity pursuant to Section 11.1(a) and 11.2(a) in connection therewith) shall survive the Closing and shall remain in full force and effect until the date that is thirty (30) days after the expiration of the statute of limitations period applicable to the matters covered thereby;

(c) Notwithstanding the foregoing, none of the covenants or agreements contained in this Agreement or any agreement delivered pursuant hereto shall survive the Closing Date other than those which by their terms contemplate performance after the Closing Date, which shall survive the Closing in accordance with their terms; *provided, however*, that claims for indemnification pursuant to Section 11.1(b) and 11.2(b) in connection with breaches of such covenants or agreements to be performed prior to or at the Closing may be made at any time after the Closing until the Expiration Date.

(d) Each Indemnified Party shall give written notice to the respective Indemnifying Party of any claim for indemnification pursuant to this Article 11; *provided, however*, that failure to provide such notice shall not affect such Indemnified Party's right to indemnification hereunder unless and only to the extent the Indemnifying Party was actually prejudiced by such failure to deliver notice. Any claim for indemnification made in writing by the Indemnified Party on or prior to the expiration of the applicable survival period shall survive until such claim is finally and fully resolved.

Section 11.4 Limitation on Indemnification.

(a) Except as set forth in Section 11.4(e), no Purchaser Indemnified Person shall be entitled to any recovery pursuant to Section 11.1(a) and Section 11.1(b) unless and until the aggregate amount of Losses for which all Purchaser Indemnified Persons are otherwise entitled to indemnification pursuant to Section 11.1(a) and Section 11.1(b) exceeds $700,000.00 (the "**Basket**"), at which point the Purchaser Indemnified Persons shall be entitled to be indemnified for the aggregate amount of all Losses in excess of such Basket.

(b) At the time of recovery by a Purchaser Indemnified Person under any indemnification claim under Section 11.1(a) and Section 11.1(b), the maximum aggregate recovery by all Purchaser Indemnified Persons pursuant to Section 11.1(a) and Section 11.1(b) shall not exceed an amount equal to ten percent (10.0%) of the aggregate proceeds paid to the Company Stockholders under this Agreement, at the time of such recovery.

(c) Except as set forth in Section 11.4(e), no Company Stockholder Indemnified Person shall be entitled to any recovery pursuant to Section 11.2(a) and Section 11.2(b) unless and until the aggregate amount of Losses for which all Company Stockholder Indemnified Persons are otherwise entitled to indemnification pursuant to Section 11.2(a) and Section 11.2(b) exceeds the Basket, at which point the Company Stockholder Indemnified Persons shall be entitled to be indemnified for the aggregate amount of all Losses in excess of such Basket.

(d) Notwithstanding any provision herein to the contrary, but subject to limitations on recovery set forth in Section 11.6, the restrictions and limitations set forth in Sections 11.4(a), 11.4(b) and 11.4(c) shall not be applicable to claims based upon Fraud or arising under any breach of a Fundamental Representation; *provided, however*, that in no event shall any Company Stockholder be liable hereunder for any amount in excess of such Company Stockholder's Pro Rata Share of sixty percent (60.0%) of the proceeds paid to such Company Stockholder pursuant to this Agreement.

(e) The amount of any and all Losses subject to indemnification pursuant to Section 11.4 or this Article 11 shall be determined net of any indemnity, contribution, insurance proceeds, tax benefit or other similar payment actually received or realized, as applicable, by such Indemnified Party with respect to such Losses (less the reasonable costs of recovery incurred by such Purchaser Indemnified Person in connection therewith).

(f) Purchaser shall, and shall cause each of its Affiliates (including Mergeco) to (i) use commercially reasonable efforts to mitigate any of its Losses (except for Losses relating to Taxes) that Purchaser Indemnified Persons may recover pursuant to this Article 11 solely to the extent required by common law, and (ii) notify all of their respective applicable insurance carriers of such possible Losses and diligently seek to recover all possible insurance coverage, payments and proceeds relating to such Losses under any and all policies of insurance held by them. The Company Stockholders shall, and shall cause each of their respective Affiliates to use commercially reasonable efforts to mitigate any of their Losses that the Company Stockholder Indemnified Persons may recover pursuant to this Article 11 solely to the extent required by common law.

(g) Notwithstanding any other provision of this Agreement, no Losses shall be recoverable under this Article 11 or otherwise under this Agreement that constitute punitive or special damages or consequential or indirect damages, except in the case owed to a Third Party in connection with a Third Party Claim.

(h) Notwithstanding the rights of the Purchaser Indemnified Persons to recover Losses pursuant to Section 11.1, Purchaser and Mergeco are not aware of any facts or circumstances that would serve as the basis for a claim by any Purchaser Indemnified Person against Company or any Company Stockholder based upon a breach of any representation or warranty of the Company contained in this Agreement or breach of any of Company's covenants or agreement to be performed by it at or prior to Closing. Purchaser and Mergeco, on behalf of themselves and all Purchaser Indemnified Persons, shall be deemed to have waived in full any breach of any of Company's representations and warranties and any such covenants and agreements of which Purchaser and/or Mergeco has such awareness at the Closing.

Section 11.5 Indemnification Procedure.

Promptly after the incurrence of any Losses by any Purchaser Indemnified Person or Company Stockholder Indemnified Person (an "**Indemnified Party**"), or receipt by an Indemnified Party of notice of a Third Party Claim for which such Indemnified Party is entitled to indemnification pursuant to Section 11.1 or 11.2 (an "**Indemnifiable Claim**"), such Indemnified Party will give the Stockholders Representative written notice thereof, and if the Indemnified Party is a Company Stockholder Indemnified Party, the Stockholders Representative shall also provide the Purchaser with written notice thereof (an "**Indemnification Notice**"); *provided, however*, that delay or failure to so notify the Stockholders Representative and Purchaser, as applicable, shall only relieve the indemnifying Party (an "**Indemnifying Party**") of its obligations to the extent, if at all, that it is materially prejudiced by reasons of such delay or failure. Such Indemnification Notice by the Indemnified Party shall describe the Indemnifiable Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Stockholders Representative, in the case the Indemnified Party is a Purchaser Indemnified Person, and the Purchaser, in the case the Indemnified Party is a Company Stockholder Indemnified Person, as applicable, shall have a period of thirty (30) days within which to respond to such Indemnification Notice. If the Stockholders Representative or Purchaser, as applicable, accepts responsibility for the entirety of such Indemnifiable Claim within such thirty (30) day period, the Stockholders Representative or Purchaser, whichever is the Indemnifying Party as the case may be, shall be entitled to compromise or defend, at its own expense and by counsel chosen by it and reasonably satisfactory to the Indemnified Party, such matter. If the Stockholders Representative (on behalf of the Company Stockholder Indemnified Persons) or Purchaser (on behalf of the Purchaser Indemnified Persons), as applicable, rejects responsibility for the matter set forth in an Indemnification Notice in whole or in part or does not respond within thirty (30) calendar days after receiving such Indemnification Notice, the Indemnified Party shall be free to pursue, without prejudice to any of its rights hereunder, such remedies as may be available to the Indemnified Party under applicable Law at the Indemnifying Party's expense. The applicable Indemnified Party agrees to cooperate fully with the Stockholders Representative or Purchaser, as the case may be, and its respective counsel in the defense against any such Indemnifiable Claim. In any event, the Indemnified Party shall have the right to participate in a non-controlling manner and at its own expense in the defense of such Indemnifiable Claim. Neither the Stockholders Representative nor Purchaser shall enter into a settlement of such Indemnifiable Claim without the prior written consent of the Indemnified Party (not to be unreasonably

withheld, conditioned or delayed), and until such consent is obtained the Stockholders Representative or Purchaser, as applicable, shall continue the defense of such Indemnifiable Claim. If a firm offer is made to settle an Indemnifiable Claim (i) that does not involve any admission of liability or wrongdoing by any Indemnified Party or its Affiliates or the creation of financial or other obligation on the part of the Indemnified Party or its Affiliates, (ii) provides for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Indemnifiable Claim, (iii) does not involve injunctive relief binding upon the Indemnified Party or any of its Affiliates, and (iv) such settlement does not encumber any of the material assets of any Indemnified Party or impose any restriction or condition that would apply to or materially affect any Indemnified Party or the conduct of any Indemnified Party's business, and the Indemnifying Party desires to accept and agree to such offer, the Stockholders Representative or Purchaser, as applicable, shall give written notice to that effect to the Indemnified Party. The Indemnified Party shall thereupon have the option of either consenting to such firm offer or assuming the defense of such Indemnifiable Claim. If the Indemnified Party fails to consent to such firm offer within thirty (30) calendar days after its receipt of such notice, and also fails to assume defense of such Indemnifiable Claim, the Stockholders Representative or Purchaser, as applicable, may settle the Indemnifiable Claim upon the terms set forth in such firm offer to settle such Indemnifiable Claim. If the Indemnified Party has assumed the defense pursuant to this Section 11.5, it shall not agree to any settlement without the written consent of the Stockholders Representative (in the case the Indemnified Party is a Purchaser Indemnified Person) or the Purchaser (in the case the Indemnified Party is a Company Stockholder Indemnified Person), in each case which such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding any provisions in this Section 11.5 to the contrary, neither the Stockholders Representative (in the case the Indemnified Party is a Purchaser Indemnified Person) nor the Purchaser (in the case the Indemnified Party is a Company Stockholder Indemnified Person), shall be entitled to assume or continue control of the defense of any Indemnifiable Claim of the other Party if (i) such Indemnifiable Claim relates to or arises in connection with any governmental proceeding, action, indictment, allegation or investigation involving the Indemnified Party; (ii) such Indemnifiable Claim relates primarily to the Intellectual Property of such Indemnified Party; (iii) the Indemnified Party has been advised in writing by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnifying Party and the Indemnified Party; or (iv) the Indemnifying Party fails to defend such Indemnifiable Claim in good faith. If the Indemnified Party controls the defense of any Indemnifiable Claim, the Indemnified Party shall be entitled to be reimbursed by the Indemnifying Party for its reasonable defense costs as such costs are incurred.

Section 11.6 Remedies.

(a) Notwithstanding any provisions contained in this Agreement to the contrary, except as provided in Section 5.2 (Indemnification of Stockholder Representative) and Section 12.10 (Specific Performance) or in respect of claims based upon Fraud, indemnification pursuant to the provisions of this Article 11 shall be the sole and exclusive remedy for any claim under this Agreement, the Merger or the other transactions contemplated by this Agreement.

(b) Notwithstanding any provisions contained in this Agreement, except in respect of claims based upon Fraud, the Purchaser's right to set-off under Section 11.9 shall be the Purchaser Indemnified Persons' sole and exclusive remedies for any such claim for indemnification under this Article 11.

(c) Any and all amounts payable to Purchaser Indemnified Persons as a result of any claim for indemnification based upon Fraud by the Company shall be paid directly by the Company Stockholders to Purchaser in accordance with their Pro Rata Share, (i) first by

set-off of any consideration payable to such Company Stockholders pursuant to Section 11.9, and second, if such set-off is insufficient to satisfy the entire Losses suffered, (ii) by wire payment of immediately available funds for such excess.

(d) Any and all amounts payable to Purchaser Indemnified Persons as a result of any claim for indemnification for Fraud by such Company Stockholder shall be paid directly by the applicable Company Stockholder to Purchaser, by wire payment of immediately available funds. Notwithstanding any provisions contained in this Agreement to the contrary, no Company Stockholder shall be liable for the Fraud committed by any other Company Stockholder.

(e) The indemnification provisions set forth in this Article 11 are intended as a bargained-for contractual remedy for the Indemnified Parties, contain all of the terms and provisions that the Parties intend be applied in any connection with any claim or action for indemnification pursuant to this Article 11 and are intended to be enforced without regard to principles of breach of contract or other Law that would result in a broader or narrower remedy.

Section 11.7 Adjustment to Purchase Price.

To the extent permitted by applicable Law, any indemnification payment made pursuant to this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes.

Section 11.8 Right to Bring Actions; No Contribution.

Notwithstanding any provision in this Article 11 or elsewhere in this Agreement to the contrary, only the Stockholders Representative shall have the right, power and authority to commence any action, suit or proceeding after the Closing, by and on behalf of any or all Company Stockholders, against Purchaser or Mergeco or any other Indemnifying Party in connection with this Agreement and the transactions contemplated hereby and thereby, and in no event shall any Company Stockholder himself, herself or itself have the right to commence any action, suit or proceeding against Purchaser or Mergeco, or any other Indemnifying Party in such connection. By virtue of the adoption of this Agreement and the approval of the Merger by the Company Stockholders, each Company Stockholder (regardless of whether or not such Company Stockholder votes in favor of the adoption of the Agreement and the approval of the Merger, whether at a meeting or by written consent in lieu thereof) shall be deemed to have waived, and shall be deemed to have acknowledged and agreed that such Company Stockholder shall not have and shall not exercise or assert (or attempt to exercise or assert), any right of contribution, right of indemnity or other right or remedy against Mergeco in connection with any indemnification obligation or any other liability to which he may become subject under or in connection with this Agreement or the related facts and circumstances underlying any such indemnification obligation or other liability.

Section 11.9 Set-Off.

In addition to all other remedies contemplated herein, subject to the limitations on recovery set forth in Article 11 (including, without limitation Section 11.4), Purchaser's exclusive right to payment under this Article 11 (except in the case of Fraud) shall be to set-off, deduct or retain any amount due or payable to Purchaser in respect of any claim (for indemnification) against the Company Stockholders under Section 11.1 by a reduction to any obligation of Purchaser to pay any unpaid Earn-Out Payment, in each case in accordance with each Company Stockholder's Pro Rata Share. In addition, Purchaser may

carry-forward and set-off against a future Earn-Out Payment the amount of any Losses not deducted from a previous Earn-Out Payment. In no event, other than in the case of Fraud, shall Purchaser be entitled to claw-back any consideration actually paid to the Company Stockholders.

ARTICLE 12
GENERAL

Section 12.1 Confidential Information; Press Release.

(a) **Confidential Information**.

(i) A Receiving Party will not disclose or use, and it will cause its Representatives not to disclose or use, any Confidential Information furnished, or to be furnished, by a Disclosing Party or its Representatives to the Receiving Party or its Representatives at any time or in any manner other than for purposes of evaluating and completing the transactions proposed in this Agreement, unless such information is known, or until such information becomes known, to the public without wrongful disclosure by any Disclosing Party or its Representatives, or such information is required, in legal counsel's written opinion, to be disclosed in legal or administrative proceedings; *provided*, *however*, that the Parties may disclose such information to their respective attorneys, accountants, consultants and other professionals to the extent necessary to obtain their services.

(ii) If this Agreement is terminated, each Receiving Party will promptly return to the Disclosing Party or destroy any Confidential Information and any work product produced from such Confidential Information in its possession or in the possession of any of its Representatives.

(b) **Press Releases**.

(i) No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by Purchaser or the Company or the respective Representatives without the prior agreement of the other Party as to timing, content and method, hereto, provided that the obligations herein will not prevent any party from making, after consultation with the other Party, such disclosure as its counsel advises is required by applicable law or the rules and policies of the CSE, and provided further, that the Party making the release, statement, announcement, or other disclosure shall use its reasonable best efforts to allow the other Party reasonable time to comment on such release, statement, announcement, or other disclosure in advance of such issuance.

(ii) Purchaser and the Company shall mutually agree upon and, as promptly as practicable after the execution of this Agreement, issue a press release announcing the execution of this Agreement (the "**Signing Press Release**"). The form, contents and timing of the Signing Press Release shall be subject to the review, comment and approval of the Stockholders Representative prior to its issuance.

(iii) Purchaser and the Stockholders Representative shall mutually agree upon and, as promptly as practicable after the Closing, issue a press release announcing the consummation of the transactions contemplated by this Agreement (the "**Closing Press Release**"). The form, contents and timing of the Closing Press Release shall be subject to the review, comment and approval of the Stockholders Representative prior to its issuance.

Section 12.2 Counterparts.

This Agreement may be executed in several counterparts (by original or facsimile signature), each of which when so executed shall be deemed to be an original and each of such counterparts, if executed by each of the Parties, shall constitute a valid and enforceable agreement among the Parties.

Section 12.3 Severability.

In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision shall be severed to the extent that it is so declared and the other provisions of this Agreement shall continue in full force and effect.

Section 12.4 Applicable Law; Jurisdiction; Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the conflict of law principles therein. Subject to Section 12.5, the Parties hereto irrevocably consent to the exclusive jurisdiction and venue of any court within San Diego County, State of California in connection with any matter based upon or arising out of this Agreement, the Merger or any other matters contemplated herein (and any federal court within the Southern District of California). Subject to Section 12.5, each Party agrees not to commence any legal proceedings related hereto except in such court. By execution and delivery of this Agreement, subject to Section 12.5, each Party hereto irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and to the appellate courts therefrom solely for the purposes of disputes arising under this Agreement and not as a general submission to such jurisdiction or with respect to any other dispute, matter or claim whatsoever. The Parties irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the delivery of copies thereof by overnight courier to the address for such Party to which notices are deliverable hereunder. Any such service of process shall be effective upon delivery. Nothing herein shall affect the right to serve process in any other manner permitted by applicable Law. The Parties hereto hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Agreement brought before the foregoing courts on the basis of (i) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, or that it or any of its property is immune from the above-described legal process, (ii) that such action or proceeding is brought in an inconvenient forum, that venue for the action or proceeding is improper or that this Agreement may not be enforced in or by such courts, or (iii) any other defense that would hinder or delay the levy, execution or collection of any amount to which any party hereto is entitled pursuant to any final judgment of any court having jurisdiction.

Section 12.5 Arbitration.

(a) Any dispute, claim or controversy arising out of or relating to this Agreement, the Merger and any transactions contemplated hereby or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the

scope or applicability of this agreement to arbitrate, shall be determined by binding arbitration (the "**Arbitration**") in San Diego County, California before one arbitrator. Any Arbitration will be held under the auspices of the San Diego County office of the Judicial Arbitration & Mediation Services ("**JAMS**"), or any successor. The Arbitration shall be in accordance with its Comprehensive Rules & Procedures (or, to the extent available, the Streamlined Ruled & Procedures, and in no event any other rules); *provided, however*, that notwithstanding any provision to the contrary in the JAMS Rules, a court will resolve any dispute over the formation, enforceability, revocability, or validity of this Agreement or any portion thereof. The arbitrator (the "**Arbitrator**") shall be selected pursuant to JAMS rules or by mutual agreement of the Parties.

(b) Should any Party refuse or neglect to appear for, or participate in, the arbitration hearing, the Arbitrator shall have the authority to decide the dispute based upon whatever evidence is presented.

(c) Within thirty (30) days of the close of the Arbitration hearing, any Party will have the right to prepare, serve on the other party, and file with the Arbitrator, a brief. The Arbitrator shall render an award and written opinion, normally no later than thirty (30) calendar days from the date the Arbitration hearing concludes or the post-hearing briefs are received, whichever is later. The opinion shall include the factual basis for the award. Except as may be permitted or required by law neither a Party nor an Arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all Parties. Any decision of the Arbitrator hereunder shall be deemed final, binding and non-appealable.

Section 12.6 Disclosure Schedule

Nothing in the Company Disclosure Letter or Purchaser Disclosure Letter, as applicable, is intended to broaden the scope of any representation or warranty contained in this Agreement or to create any covenant unless clearly specified to the contrary herein or therein. Inclusion of any item in the Company Disclosure Letter or Purchaser Disclosure Letter, as applicable, (a) does not represent a determination that such item is material nor shall it be deemed to establish a standard of materiality, (b) does not represent a determination that such item did not arise in the Ordinary Course, and (c) shall not constitute, or be deemed to be, an admission to any third party concerning such item. The Company Disclosure Letter and Purchaser Disclosure Letter, as applicable, include descriptions of instruments or brief summaries of certain aspects of the Company and the Purchaser and their respective business and operations. The descriptions and brief summaries are not necessarily complete and are provided therein to identify documents or other materials previously delivered or made available.

Section 12.7 Successors and Assigns.

This Agreement shall accrue to the benefit of and be binding upon each of the Parties hereto and their respective heirs, executors, administrators and assigns, provided that this Agreement shall not be assigned by any one of the Parties without the prior written consent of the other Parties.

Section 12.8 Interpretation.

The division of this Agreement into Articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation

hereof. Schedules and other documents attached or referred to in this Agreement are an integral part of this Agreement.

Section 12.9 Expenses.

Each of the Parties hereto shall be responsible for its own costs and charges incurred with respect to the transactions contemplated herein including, without limitation, all costs and charges incurred prior to the date hereof and all legal and accounting fees and disbursements relating to preparing this Agreement or any Ancillary Agreement or otherwise relating to the transactions contemplated herein.

Section 12.10 Specific Enforcement

The Parties agree that immediate, extensive and irreparable damage would occur for which monetary damages would not be an adequate remedy in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached. Accordingly, the Parties agree that, if for any reason Purchaser or the Company or any other Person shall have failed to perform its obligations under this Agreement or otherwise breached this Agreement, then the Party seeking to enforce this Agreement against such nonperforming Party under this Agreement shall be entitled to specific performance and the issuance of immediate injunctive and other equitable relief without the necessity of proving the inadequacy of money damages as a remedy, and the Parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to and not in limitation of any other remedy to which they are entitled at Law or in equity.

Section 12.11 Further Assurances.

Each of the Parties hereto will, without further consideration, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such other documents, instruments of transfer, conveyance, assignment and assurances and secure all necessary consents and authorizations as may be reasonably requested by another Party and take such further action as the other may reasonably require to give effect to any matter provided for herein.

Section 12.12 Entire Agreement.

This Agreement and the schedules referred to herein constitute the entire agreement among the Parties hereto and supersede all prior communications, agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof. None of the Parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered on the Closing Date pursuant to this Agreement. The Parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered on the Closing Date, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement or in such schedules, documents or instruments.

Section 12.13 Notices.

Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent prepaid courier service or (iii) sent by registered or certified mail (return receipt requested) addressed as follows:

in the case of notice to Purchaser or Subco:

Icanic Brands Company Inc.
789 West Pender Street, Suite 810
Vancouver, British Columbia
V6C 1H2

Attn: Brandon Kou
Email: brandon@icaninc.com

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

McMillan LLP
1500-1055 West Georgia Street
Vancouver, British Columbia
V6E 4N7

Attn: Desmond Balakrishnan
Email: desmond.balakrishnan@mcmillan.ca

in the case of notice to the Company:

LEEF Holdings, Inc.
5580 La Jolla Boulevard #395
La Jolla, CA 92037

Attn: Micah Anderson
Email: micah@leefca.com

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

Jackson Tidus, A Law Corporation
2030 Main Street, 12th Floor
Irvine, California 92614

Attn: Jason R. Wisniewski
Email: jwisniewski@jacksontidus.law

and

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

Attn: Jonathan Sherman
Email: jsherman@cassels.com

Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:

(a) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery; and

(b) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mail, allowing for such discontinuance or interruption of regular postal service.

Section 12.14 Waiver.

Any Party hereto which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Date, provided however that such waiver shall be evidenced by written instrument duly executed on behalf of such Party.

Section 12.15 Amendments.

No modification or amendment to this Agreement may be made unless agreed to by the Parties hereto in writing.

Section 12.16 Remedies Cumulative.

The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

Section 12.17 Currency.

Unless otherwise indicated, all dollar amounts referred to in this Agreement are in the lawful money of the United States of America.

Section 12.18 Number and Gender.

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

(a) words in the singular number include the plural and such words shall be construed as if the plural had been used;

(b) words in the plural include the singular and such words shall be construed as if the singular had been used; and

(c) words importing the use of any gender shall include all genders where the context or the Party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

Section 12.19 Time of Essence.

Time shall be of the essence hereof.

[Remainder of page intentionally blank]

The Parties have executed this Agreement as of the first date written above.

ICANIC BRANDS COMPANY INC.

By: *"Brandon Kou"*

Name: Brandon Kou

Title: Chief Executive Officer

LEEF HOLDINGS, INC.

By: *"Micah Anderson"*

Name: Micah Anderson

Title: Chief Executive Officer

ICANIC MERGER SUB, INC.

By: *"Suhas Patel"*

Name: Suhas Patel

Title: President

MICAH ANDERSON

(solely in its capacity as the Stockholders Representative)

"Micah Anderson"

EXHIBIT A

FORM OF ACCREDITED INVESTOR CERTIFICATION

(attached hereto)

U.S. Representation Letter

To: Icanic Brands Company Inc. (“Icanic”)

Re: Merger Agreement dated January 21, 2022 (the “Merger Agreement”) between Icanic and Leef Holdings, Inc. (“Leef”)

Upon the completion of the acquisition by Icanic of Leef by way of a merger (the “**Merger**”) contemplated by the Merger Agreement, Leef shall become a wholly-owned subsidiary of Icanic. Pursuant to the Merger, the undersigned holder of shares of common stock of Leef (“**Leef Shares**”) will receive common shares of Icanic in exchange for the shareholder’s Leef Shares (the “**Icanic Shares**”).

This Representation Letter is to be executed and delivered by each holder of Leef Shares or securities convertible into Leef Shares (collectively, “**Leef Securities**”) who is, or is acting for the account or benefit of, a U.S. Person or a person within the United States (each, an “**Leef U.S. Securityholder**”).

The undersigned holder of Leef Securities covenants, represents and warrants to Icanic that:

(a) It has full right, power and authority to deliver its Leef Securities and this Representation Letter.

(b) It has such knowledge, skill and experience in financial, investment and business matters as to be capable of evaluating the merits and risks of an investment in the Icanic Shares or securities convertible into the common shares of Icanic (the “**Consideration Securities**”) to be issued to it pursuant to the Merger, and it is able to bear the economic risk of loss of its entire investment. To the extent necessary, the Leef U.S. Securityholder has retained, at his or her own expense, and relied upon, appropriate professional advice regarding the investment, tax and legal merits and consequences of the Merger Agreement and owning the Consideration Securities.

(c) Icanic has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the Merger Agreement and it has had access to such information concerning Icanic as it has considered necessary or appropriate in connection with its investment decision to acquire the Consideration Securities, including disclosure document(s) furnished to the Leef U.S. Securityholder in connection with the solicitation of written consents of the shareholders of Leef to approve the Merger, and access to Icanic’s public filings available on the Internet at www.sedar.com, and that any answers to questions and any request for information have been complied with to the Leef U.S. Securityholder’s satisfaction.

(d) It is acquiring the Consideration Securities for its own account, for investment purposes only and not with a view to any resale or distribution and, in particular, it has no intention to distribute either directly or indirectly the Consideration Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States; provided, however, that this paragraph shall not restrict the Leef U.S. Securityholder from

selling or otherwise disposing of the Consideration Securities pursuant to registration thereof pursuant to the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder (the "**U.S. Securities Act**") and any applicable state securities laws or under an exemption from such registration requirements.

(e) The address of the Leef U.S. Securityholder set out in the signature block below is the true and correct principal address of the Leef U.S. Securityholder and can be relied on by Icanic for the purposes of state blue sky laws, and the Leef U.S. Securityholder is not an entity that has been formed for the specific purpose of purchasing or acquiring the Securities.

(f) It understands (i) the Consideration Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States; and (ii) the offer and sale contemplated by the Merger Agreement is being made in reliance on an exemption from such registration requirements in reliance on Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act.

(g) The Leef U.S. Securityholder is an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act by virtue of meeting one of the criteria set forth in **Appendix A** hereto (**please initial on the appropriate lines on Appendix A**), which Appendix A forms an integral part hereof.

(h) The Leef U.S. Securityholder has not purchased the Consideration Securities as a result of any form of "general solicitation" or "general advertising" (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, press releases, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio or television, or the Internet or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(i) It understands and agrees that the Consideration Securities may not be acquired in the United States or by a U.S. Person or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration requirements is available.

(j) It acknowledges that it is not acquiring the Consideration Securities as a result of, and will not itself engage in, any "directed selling efforts" (as defined in Regulation S under the U.S. Securities Act) in the United States in respect of the Consideration Securities which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Consideration Securities.

(k) If it is entitled to receive share purchase warrants or options convertible into Icanic Shares under the Merger Agreement, it acknowledges and agrees that:

i) the securities of Icanic issuable upon exercise of such warrants or options convertible into Icanic Shares (the "**Icanic Underlying Securities**" and together with the

Consideration Securities, the "**Securities**") have not been and will not be registered under the U.S. Securities Act or any state securities laws; and

ii) such warrants or options convertible into Icanic Shares may not be exercised in the United States, or for the account or benefit of a U.S. Person or a person in the United States, absent an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

(l) It acknowledges that the Securities will be "restricted securities", as such term is defined in Rule 144(a)(3) under the U.S. Securities Act, and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws, and it agrees that if it decides to offer, sell, pledge or otherwise transfer, directly or indirectly, any of the Securities, it will not offer, sell or otherwise transfer, directly or indirectly, the Securities except:

(i) to Icanic;

(i) outside the United States in an "offshore transaction" meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act, if available, and in compliance with applicable local laws and regulations;

(ii) in compliance with the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(iii) in a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws governing the offer and sale of securities,

and, in the case of each of (ii) and (iii) above, it has prior to such sale furnished to Icanic an opinion of counsel in form and substance reasonably satisfactory to Icanic stating that such transaction is exempt from registration under applicable securities laws and that the legend referred to in paragraph (m) below may be removed.

(m) The certificates representing the Securities, as well as all certificates issued in exchange for or in substitution of the foregoing, until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws and regulations, will bear, on the face of such certificate, the following legend:

> "THE SECURITIES REPRESENTED HEREBY [*for Icanic options and warrants add:* AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION,

(B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT, PROVIDED THAT PRIOR TO ANY TRANSFER PURSUANT TO CLAUSES (C) OR (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO THE CORPORATION SHALL FIRST BE PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY STATE SECURITIES LAW. [*For Icanic Shares add:* DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.]"

provided, that if at the time of original issuance of the Securities, Icanic is a "foreign issuer" (as such term is defined in Rule 902(e) of Regulation S under the U.S. Securities Act), and are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and in compliance with Canadian local laws and regulations, the legend set forth above may be removed by providing to the registrar and transfer agent of Icanic:

(i) an executed declaration and undertaking in substantially the form set forth as Appendix B attached hereto (or in such other forms as Icanic may prescribe from time to time);

(ii) an executed broker affirmation, in substantially the form included in Appendix B attached hereto (or in such other forms as Icanic may prescribe from time to time); and

(iii) if requested by Icanic or the transfer agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to Icanic and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and

provided, further, that, if any Securities are being sold otherwise than in accordance with Regulation S and other than to Icanic, the legend may be removed by delivery to the registrar and transfer agent and Icanic of an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to Icanic, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

(n) It understands and agrees that there may be material tax consequences to the Leef U.S. Securityholder of an acquisition, holding or disposition of any of the securities of Icanic. Icanic gives no opinion and makes no representation with respect to the tax consequences to the Leef U.S. Securityholder under United States federal, state, local or other tax laws of the undersigned's acquisition, holding or disposition of such securities.

(o) It consents to Icanic making a notation on its records or giving instructions to any transfer agent of Icanic in order to implement the restrictions on transfer set forth and described in this Representation Letter and the Merger Agreement.

(p) It understands that (i) Icanic may be deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a "**Shell Company**"), (ii) if Icanic is deemed to be, or to have been at any time previously, a Shell Company, Rule 144 under the U.S. Securities Act may not be available for resales of the Securities unless the requirements of Rule 144(i) under the U.S. Securities Act are met, and (iii) Icanic will not be obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities.

(q) It understands and agrees that the financial statements of Icanic have been prepared in accordance with International Financial Reporting Standards and therefore may be materially different from financial statements prepared under U.S. generally accepted accounting principles and therefore may not be comparable to financial statements of United States companies.

(r) It understands and acknowledges that Icanic is incorporated outside the United States, consequently, it may be difficult to provide service of process on Icanic and it may be difficult to enforce any judgment against Icanic.

(s) It understands that Icanic will not have any obligation to register the Securities under the U.S. Securities Act or any applicable state securities or "blue sky" laws or to take action so as to permit resales of such Securities. Accordingly, the Leef U.S. Securityholder understands that absent registration, it may be required to hold the Securities indefinitely. As a consequence, the Leef U.S. Securityholder understands it must bear the economic risks of the investment in such Securities for an indefinite period of time.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing. If any such representations shall not be true and accurate prior to the Closing, the undersigned shall give immediate written notice of such fact to Icanic prior to the Closing.

Dated ______________________ 2022.

X ___________________________________
Signature of individual (if Leef U.S. Securityholder **is** an individual)

X ___________________________________
Signature of Authorized signatory (if Leef U.S. Securityholder is **not** an individual)

____
Name of Leef U.S. Securityholder (**please print**)

____
Address of Leef U.S. Securityholder (**please print**)

____
Name of authorized signatory (**please print**)

____
Official capacity of authorized signatory (**please print**)

Appendix "A" to

U.S. Representation Letter for Leef U.S. Securityholders

To be completed by Leef U.S. Securityholders who qualify as Accredited Investors

In addition to the covenants, representations and warranties contained in the Merger Agreement and the Representation Letter to which this Appendix is attached, the undersigned Leef U.S. Securityholder covenants, represents and warrants to Icanic that the Leef U.S. Securityholder is an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act by virtue of meeting one of the following criteria (please initial on the appropriate lines):

1. Initials _______	Any bank as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any investment adviser registered pursuant to section 203 of the *Investment Advisers Act of 1940* or registered pursuant to the laws of a state; any investment adviser relying on the exemption from registering with the United States Securities and Exchange Commission (the "**Commission**") under section 203(l) or (m) of the *Investment Advisers Act of 1940*; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; any rural business investment company as defined in section 384A of the *Consolidated Farm and Rural Development Act*; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US$5,000,000; any employee benefit plan within the meaning of the U.S. *Employee Retirement Income Security Act of 1974* if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are "accredited investors" (as such term is defined in Rule 501 of Regulation D under the U.S. Securities Act);
2. Initials _______	Any private business development company as defined in Section 202(a)(22) of the U.S. *Investment Advisers Act of 1940*;

3.
Initials _______

Any organization described in Section 501(c)(3) of the U.S. *Internal Revenue Code*, corporation, Massachusetts or similar business trust, partnership, or limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US$5,000,000;

4.
Initials _______

Any trust with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);

5.
Initials _______

Any natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent (being a cohabitant occupying a relationship generally equivalent to that of a spouse), excluding the value of that person's primary residence, at the time of purchase, exceeds US$1,000,000 (Note: For purposes of calculating net worth,

(i) the person's primary residence shall not be included as an asset;

(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this Representation Letter, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this Representation Letter exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability);

(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; and

(iv) for the purposes of calculating joint net worth of the person and that person's spouse or spousal equivalent, (A) joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent, and (B) assets need not be held jointly to be included in the calculation; and reliance by the person and that person's spouse or spousal equivalent on the joint net worth standard does not require that the securities be purchased jointly);

6.
Initials _______

Any natural person who had an individual income in excess of US$200,000 in each of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of US$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

7.
Initials _______

Any director or executive officer of Icanic; or

8.
Initials _______

Any entity in which all of the equity owners meet the requirements of at least one of the above categories – *if this category is selected, you must identify each equity owner and indicate the category of accredited investor (by reference to the applicable number in this Representation Letter):*

Name of Equity Owner	**Category of Accredited Investor**

Note: It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities under this category. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this category will be available;

9.
Initials _______

Any entity, of a type not listed in Categories 1- 4 or 8, not formed for the specific purpose of acquiring the securities offered, owning investments in excess of US$5,000,000 (note: for the purposes of this Category 9, "investments is defined in Rule 2a51-1(b) under the *Investment Company Act of 1940*);

10.
Initials _______

Any natural person holding in good standing one or more of the following professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status: The General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), and the Licensed Investment Adviser Representative (Series 65);

11.
Initials _______

Any "family office," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940: (i) with assets under management in excess of US$5,000,000, (ii) that is not formed for the specific purpose

of acquiring the securities offered, and (iii) whose prospective investment is directed by a person (a "Knowledgeable Family Office Administrator") who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or

12.
Initials _______

Any "family client," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, of a family office meeting the requirements set forth in Category 11 above and whose prospective investment in Icanic is directed by such family office with the involvement of the Knowledgeable Family Office Administrator.

Dated ____________________ 2022.

X ____
Signature of individual (if Leef U.S. Securityholder **is** an individual)

X ____
Signature of authorized signatory (if Leef U.S. Securityholder is **not** an individual)

____
Name of Leef U.S. Securityholder (**please print**)

____
Address of Leef U.S. Securityholder (**please print**)

____
Name of authorized signatory (**please print**)

____
Official capacity of authorized signatory (**please print**)

Appendix "B"

Form of Declaration and Undertaking for Removal of Legend –
Rule 904 under the U.S. Securities Act of 1933

To: Icanic Brands Company Inc. (the "Company")

And To: The transfer agent for the Company's Common Shares

The undersigned (A) acknowledges that the sale of _________________________ common shares in the capital of the Company, represented by Share Certificate No.(s) _________________________________ or held through the Direct Registration System (DRS) in DRS Holder Account No. _________________, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company (except solely by virtue of being an officer or director of the Company) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated _______________ 20___.

X ______________________________________
Signature of individual (if Seller is an individual)

X ______________________________________
Signature of authorized signatory (if Seller is not an individual)

____
Name of Seller (please print)

____
Name of authorized signatory (please print)

____
Official capacity of authorized signatory (please print)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer ____________________ (the "Seller") contained in the foregoing Declaration for Removal of Legend, dated ________________, 20____, with regard to the sale, for such Seller's account, of ________________________ common shares (the "Securities") of the Company represented by certificate number(s) _______________________________, or held through the Direct Registration System (DRS) in DRS Holder Account No. _________________. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(1) no offer to sell Securities was made to a person in the United States;

(2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "United States" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Dated this ________ day of _____________________________, 20____.

Signature of Signatory:

____

Name and Title of Authorized Signatory:

____

Name of Brokerage Company:

____

EXHIBIT B

FORM OF EMPLOYMENT AGREEMENT

(attached hereto)

REDACTED FOR CONFIDENTIALITY PURPOSES

EXHIBIT C

LOCK-UP AGREEMENT

(attached hereto)

LOCK-UP LETTER AGREEMENT

Icanic Brands Company Inc. [●], 2022
789 West Pender Street, Suite 810
Vancouver, BC
V6C 1H2

Attention: Brandon Kou, Chief Executive Officer

Re: Lock-up Letter Agreement with Icanic Brands Company Inc.

Reference is made to the Merger Agreement (the "**Merger Agreement**") dated as of January 21, 2022 among Icanic Brands Company Inc. ("**Icanic**"), Leef Holdings, Inc. ("**Leef**"), Icanic Merger Sub, Inc. ("**Subco**") and Micah Anderson, solely in his capacity as representative of the shareholders of Leef, relating to the acquisition by Icanic of all the outstanding common stock of Leef to be effected way of a merger between Subco and Leef pursuant to Section 92A.200 of the Nevada Revised Statutes and on and subject to the terms and conditions of the Merger Agreement (the "**Transaction**"). Capitalized terms used herein that are not otherwise defined shall have the meanings ascribed to such terms in the Merger Agreement. References to "Icanic" includes Icanic following the completion of the Transaction.

The undersigned is an officer, director and/or a shareholder of Icanic or a proposed officer, director and/or shareholder of Icanic following the completion of the Transaction who, or who will, beneficially own(s) or exercise(s) control or direction over, directly or indirectly common shares ("**Common Shares**") or other equity securities of Icanic or securities convertible into or exchangeable for or otherwise exercisable to acquire Common Shares or other equity securities of Icanic, whether now owned or hereinafter acquired (collectively, the "**Locked-Up Securities**").

In consideration of the foregoing, the undersigned hereby agrees that for the periods set forth in Appendix A to this Lock-Up Agreement (the "**Lock-Up Period**"), the undersigned will not, without the prior written consent of Icanic, such consent not to be unreasonably withheld, directly or indirectly, (i) offer, sell, contract to sell, grant or sell any option to purchase, purchase any option or contract to sell, hypothecate, pledge, transfer, assign, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with any of the Locked-Up Securities whether through the facilities of a stock exchange, by private placement or otherwise, (ii) engage in any hedging transaction, or enter into any form of agreement the consequence of which is to alter economic exposure to, any Locked-Up Securities, or (iii) announce any intention to do any of the foregoing, except that the foregoing restrictions shall not apply to: (A) **[FOR MARK ADD]: any obligations of the undersigned under the Conditional Purchase Agreement dated as of the date hereof among Leef, Micah Anderson, as the representative of the shareholders of Leef, Mark Smith and Kamaldeep Thindal the ("Conditional Purchase Agreement")],** (B) any sale, transfer or tender of any of the Locked-Up Securities to a take-over bid or in connection with a merger, business combination, arrangement, restructuring or similar transaction involving the Common Shares, provided that in the event such transaction is not completed the Locked-Up Securities shall continue to be subject to this agreement; (C) securities sold to satisfy tax obligations on the exercise of any convertible securities; (D) transfers to affiliates of the undersigned, any family members of the undersigned,

or any company, trust or other entity owned by or maintained for the benefit of the undersigned for tax or other planning purposes; or (E) transfers occurring by operation of law or in connection with transactions arising as a result of the death of the undersigned provided that in each of (D) and (E) any such transferee shall first enter into an agreement in substantially similar form to this agreement, which shall remain in full force and effect until the expiry of the Lock-Up Period. If the undersigned is a shareholder of Leef entitled to receive Common Shares pursuant to the Transaction, the undersigned acknowledges that the Lock-Up Period pursuant to this Lock-Up Agreement is in addition to, and shall run concurrently with, any lock-up period for the Common Shares contemplated under the Merger Agreement.

The undersigned authorizes Icanic, during the Lock-Up Period, to decline to transfer and/or to note stop transfer restrictions on the transfer books and records of Icanic with respect to any Locked-Up Securities for which the undersigned is the record holder and, in the case of any such Locked-Up Securities for which the undersigned is the beneficial but not the record holder, agrees to cause the record holder to cause the transfer agent to decline to transfer and/or to note stop transfer restrictions on such books and records with respect to such securities.

The undersigned represents, warrants, and covenants with Icanic and acknowledges that Icanic is relying on the representations and agreements of the undersigned contained in this agreement in carrying out and completing the Transaction, (i) that they have or will have good and marketable title to the Locked-Up Securities, (ii) that they have full capacity, power, and authority to enter into this Lock-Up Agreement, and (iii) that upon the reasonable request of Icanic, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof and that he or she will do all such acts and take all such steps as reasonably required to fully perform and carry out the provisions of this Lock-Up Agreement. All authority herein conferred or agreed to be conferred shall survive the death, disability, dissolution, winding-up, amalgamation or incapacity of the undersigned and the associates and affiliates thereof and any obligations of the undersigned shall be binding upon the heirs, representatives, successors and permitted assigns of the undersigned.

[FOR MARK ADD]: For greater certainty, nothing in this Lock-Up Agreement shall restrict the undersigned from performing or satisfying his obligations under the Conditional Purchase Agreement.

This Lock-Up Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

This Lock-Up Agreement is irrevocable and will be binding on the undersigned and the undersigned's respective successors, heirs, personal or legal representatives and permitted assigns.

This Lock-Up Agreement may be executed by counterpart signatures (including counterparts by facsimile, pdf or other electronic means), each of which shall be effective as original signatures.

[Signature page follows.]

DATED and effective as of the date set forth above.

[Corporate Shareholder]

By: ________________________________

Name:

Title:

[Individual Shareholder]

________________________________	________________________________
Signature of Witness	Signing Party Name

Appendix A
Lock-Up Period

The Lock-Up Period is as follows:

i. 16.66% of the Locked Up Securities shall be subject to this Lock-Up Agreement for a period of 18 months following the date hereof;

ii. 16.66% of the Locked Up Securities shall be subject to this Lock-Up Agreement for a period of 21 months following the date hereof;

iii. 16.66% of the Locked Up Securities shall be subject to this Lock-Up Agreement for a period of 24 months following the date hereof;

iv. 16.66% of the Locked Up Securities shall be subject to this Lock-Up Agreement for a period of 27 months following the date hereof;

v. 16.66% of the Locked Up Securities shall be subject to this Lock-Up Agreement for a period of 30 months following the date hereof;

vi. 16.66% of the Locked Up Securities shall be subject to this Lock-Up Agreement for a period of 33 months following the date hereof; and

vii. 16.66% of the Locked Up Securities shall be subject to this Lock-Up Agreement for a period of 36 months following the date hereof.

EXHIBIT D

LEGENDING OF PAYMENT SHARES

i. 12.5% of the Payment Shares shall contain a legend prohibiting the transfer of the Payment Shares until 12 months following Closing;

ii. 12.5% of the Payment Shares shall contain a legend prohibiting the transfer of the Payment Shares until 15 months following Closing;

iii. 12.5% of the Payment Shares shall contain a legend prohibiting the transfer of the Payment Shares until 18 months following Closing;

iv. 12.5% of the Payment Shares shall contain a legend prohibiting the transfer of the Payment Shares until 21 months following Closing;

v. 12.5% of the Payment Shares shall contain a legend prohibiting the transfer of the Payment Shares until 24 months following Closing;

vi. 12.5% of the Payment Shares shall contain a legend prohibiting the transfer of the Payment Shares until 27 months following Closing;

vii. 12.5% of the Payment Shares shall contain a legend prohibiting the transfer of the Payment Shares until 30 months following Closing; and

viii. 12.5% of the Payment Shares shall contain a legend prohibiting the transfer of the Payment Shares until 33 months following Closing.

APPENDIX I

EARN-OUT EXAMPLE

		2022	2023	2024
Illustrative TTM Revenue		$60.10	$96.50	$110.20
Applied Multiple - 2x	2.0	$120.20	$193.00	$220.40
Less: $120M Purchase Price and Previous Earn-outs	$120	$0.20	$72.98	$93.08
Earnout Payable @ 10%	10%	$0.02	$7.30	$9.31