LETTER TO DEBENTUREHOLDERS

and

NOTICE OF A SPECIAL MEETING OF HOLDERS OF
9.00% CONVERTIBLE SECURED DEBENTURES DUE JUNE 6, 2022

to be held on August 8, 2022 and

MANAGEMENT INFORMATION CIRCULAR

These materials are important and require your immediate attention. They require debentureholders to make important decisions. If you are in doubt as to how to make such decisions please contact your financial, legal, tax or other professional advisors.

THE ICANIC BRANDS COMPANY INC. BOARD (OTHER THAN MICAH ANDERSON WHO NOTED HIS DISCLOSABLE INTEREST AND ABSTAINED FROM VOTING) UNANIMOUSLY RECOMMENDS THAT DEBENTUREHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION AS SET OUT IN THE MANAGEMENT INFORMATION CIRCULAR.

July 11, 2022

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LETTER TO DEBENTUREHOLDERS

July 11, 2022

Dear holders of the 9.00% secured debentures convertible into common shares ("**Common Shares**") of Icanic Brands Company Inc. ("**Icanic**" or the "**Company**") due June 6, 2022 ("**2019 Debentures**"), you, as holders of the 2019 Debentures ("**Secured Debentureholders**"), are being asked to consider and vote on a resolution (the "**Arrangement Resolution**") which approves an arrangement (the "**Arrangement**") and a plan of arrangement under Section 288 of the *Business Corporations Act* (British Columbia) (the "**Plan of Arrangement**"), to effect a recapitalization transaction (the "**Recapitalization Transaction**") pursuant to which, among other things, each holder of 2019 Debentures issued pursuant to the indenture respecting the 2019 Debentures between LEEF Holdings, Inc. ("**LEEF**") and Odyssey Trust Company ("**Odyssey**" or the "**Trustee and Collateral Agent**"), as trustee and collateral agent, dated as of June 6, 2019 (the "**2019 Debenture Indenture**"), as amended by the first supplemental convertible debenture indenture between Icanic, LEEF and Odyssey (the "**First Supplemental Debenture Indenture**"), will: (i) receive cash equal to 25% of the principal and interest outstanding on the 2019 Debentures on the effective date of the Plan of Arrangement (the "**Effective Date**"); and (ii) receive new secured debentures in the principal amount equal to 75% of the principal and interest outstanding on the 2019 Debentures on the Effective Date (as defined below); (the "**New Secured Debentures**"), pursuant to a New Secured Debenture indenture between Icanic and Odyssey as trustee and collateral agent to be entered into as of the Effective Date (the "**New Debenture Indenture**"). The New Secured Debentures will bear interest at 11% per annum and shall have a term of 24 months from the Effective Date (the "**New Maturity Date**"). Interest on the New Secured Debentures shall be payable in cash on the New Maturity Date. The New Secured Debentures shall be convertible into units of Icanic at a conversion price of $0.10 per unit (each, a "**Unit**"), with each Unit comprised of one Common Share and a Common Share purchase warrant exercisable into a Common Share at a price of $0.15 per Common Share for a period of 24 months from the date of conversion (a "**Warrant**"). The Warrants will be governed by a warrant indenture to be entered into between Icanic and Odyssey (the "**Warrant Indenture**"). The New Debenture Indenture and the Warrant Indenture will be entered into as of Effective Date. The full details of the Recapitalization Transaction are set out in the accompanying management information circular (the "**Circular**"). In addition, the Company will issue additional New Secured Debentures to insiders of the Company or certain strategic investors arranged by the Company for gross proceeds up to US$2.0 million, anticipated to close on or about the Effective Date.

Pursuant to the Arrangement, the New Secured Debentures will be the Company's secured obligations and will be guaranteed by the General Security Agreement (as defined in the Circular) against all of the property of the Company and its subsidiaries, to be entered into on the Effective Date. Accordingly, the New Secured Debentures will rank: (i) equal in right of payment to all of the Company's existing and future secured indebtedness, subject to Permitted Liens (as defined in the New Debenture Indenture) as set forth under the New Debenture Indenture; and (ii) senior in right of payment with all of the Company's existing and future unsecured indebtedness.

See "*The Arrangement – Effect of the Arrangement"* in the Circular.

As at June 6, 2022, the Company had 14,253 2019 Debentures outstanding in the principal amount of US$14,252,562. Certain Secured Debentureholders, owning in the aggregate approximately US$11,022,678 principal amount of 2019 Debentures (approximately 77.34% of the issued and outstanding 2019 Debentures) (the "**Consenting Debentureholders**"), entered into a restructuring support agreement dated June 6, 2022 with the Company and its subsidiaries (the "**Restructuring Support Agreement**") pursuant to which the Consenting Debentureholders agreed to, among other things, vote their 2019 Debentures in favour of the Arrangement Resolution. The Restructuring Support Agreement may be amended to include additional Secured Debentureholders prior to the Meeting.

For additional information, see "*Restructuring Support Agreement*" in the Circular.

If the Arrangement Resolution is not approved, Icanic will implement the Recapitalization Transaction through a plan of reorganization, compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") pursuant to a CCAA proceeding, in accordance with the terms of the Restructuring Support Agreement.

The meeting (the "**Meeting**") details are:

DATE: August 8, 2022
TIME: 10:00 a.m. (Vancouver Time)
ADDRESS: 1500-1055 West Georgia Street, Vancouver, British Columbia

We urge you to read the Circular, which accompanies this letter, consult your investment advisor, attend the Meeting and vote. If you are unable to attend the Meeting in person, please vote by submitting a proxy in the manner detailed in the Circular.

Icanic's board of directors (other than Micah Anderson who has noted his disclosable interest and abstained from voting) (the "**Board**") has unanimously approved the Arrangement and related matters and unanimously recommends that the Secured Debentureholders vote ***FOR*** the Arrangement Resolution on August 8, 2022.

See "*The Arrangement - Description of the Arrangement*" in the Circular and the Plan of Arrangement attached as Appendix "E" to the Circular.

If the Arrangement Resolution is approved by the Secured Debentureholders, the Company anticipates that the effective date of the Plan of Arrangement will be on or about August 16, 2022 (the "**Effective Date**").

Why is Icanic Proceeding with the Arrangement?

On April 21, 2022, Icanic acquired all of the outstanding shares of LEEF (the "**Acquisition**"). In connection with the Acquisition, Icanic assumed the 2019 Debentures pursuant to the First Supplemental Debenture Indenture. On June 6, 2022 (the "**Maturity Date**"), Icanic was required to repay the outstanding principal on the 2019 Debentures in the amount of US$14,252,562. Icanic did not have sufficient liquidity to make the payment of principal due under the 2019 Debenture Indenture on the June 6, 2022.

Following closing of the Acquisition, the Company undertook a strategic review to consider options with respect to the repayment, refinance or re-organization of the 2019 Debentures, which were coming to term immediately. The Board, in consultation with its financial advisors and legal counsel, determined that a restructuring of the 2019 Debentures would be in the best interests of the Company and the Secured Debentureholders, having regard to the option existing and available to the Company.

Accordingly, the Company engaged in discussions with certain Secured Debentureholders and subsequently entered into the Restructuring Support Agreement with the Consenting Debentureholders, pursuant to which the Consenting Debentureholders agreed to support the implementation of the Recapitalization Transaction through a plan of arrangement, or, in the alternative, pursuant to a CCAA Plan by way of a CCAA Proceeding.

Icanic did not have the ability to repay the 2019 Debentures in cash on the Maturity Date for the following reasons, among others: the Company was not generating excess operating cash flow to repay the 2019 Debentures in cash, the decline in the overall public equity markets, the extraordinary market conditions brought on by the pandemic, the delay in closing the Acquisition and the Company was not able to access the debt or equity capital markets successfully with its current financial position. All other discussions with respect to alternative potential business transactions involving repayment of the 2019 Debentures have been unsuccessful.

Icanic must address the cost of servicing and repaying its debt in order to continue to execute its go-forward operational strategy. At present, the Company does not have enough cash flow available to continue operations in a significant way. Given current debt burdens, high debt costs, lack of financial flexibility and limitations on access to incremental capital, Icanic is limited in its ability to develop its business plan. These factors have been reflected in the trading price of the Common Shares.

Management believes that upon completion of the Plan of Arrangement, Icanic will have an improved financial position and an improved balance sheet, which should provide the Company with greater potential to continue as a going concern.

For a more detailed description of the events leading up to the proposed Plan of Arrangement and the Board's rationale for recommending the approval of the Arrangement Resolution, please read the sections entitled "*The Arrangement - Background to the Arrangement*" and "*The Arrangement - Reasons for the Arrangement*" in the Circular.

Why vote?

It is very important that you vote regardless of how many 2019 Debentures you own.

In order to complete the Arrangement, the Arrangement Resolution must be approved by a majority in number of Secured Debentureholders that hold at least 3/4 of the principal amount of the 2019 Debentures outstanding, present in person or represented by proxy and voted at the Meeting.

The quorum for the Meeting has been set in the Interim Order. The quorum required at the Meeting will be the presence in person or by proxy of at least two persons who are, or who represent by proxy, Secured Debentureholders who, in the aggregate, constitute at least 5% of the total principal amount of the 2019 Debentures entitled to vote at the Meeting.

Each Secured Debentureholder present or represented by proxy at the Meeting shall be entitled to one vote in respect of each US$1,000 principal amount of 2019 Debentures held by such Secured Debentureholder.

What Other Information Should You be Aware of and How do You Vote?

The Board (other than Micah Anderson who noted his disclosable interest and abstained from voting), after consulting with its legal and other advisors, has unanimously determined that the Plan of Arrangement is fair to the Secured Debentureholders and in the best interests of the Company and recommends that the Secured Debentureholders vote ***FOR*** the Arrangement Resolution.

Certain Secured Debentureholders, owning in the aggregate approximately US$11,022,678 principal amount of 2019 Debentures (approximately 77.34%) (the "**Consenting Debentureholders**"), have entered into a restructuring support agreement dated June 6, 2022 with the Company and its subsidiaries (the "**Restructuring Support Agreement**") pursuant to which the Consenting Debentureholders have agreed to, among other things, vote their 2019 Debentures in favour of the Arrangement Resolution.

The Circular contains a detailed description of the Plan of Arrangement. Please give this material your careful consideration and, if you require assistance, consult your financial, legal, tax or other professional advisors. Your vote is important regardless of the number of 2019 Debentures you own. All Secured Debentureholders are encouraged to take the time to complete, sign, date and return the form of proxy in accordance with the instructions set out therein and in the Circular so that your 2019 Debentures can be voted at the Meeting in accordance with your instructions.

The 2019 Debentures have been issued in physical certificate and DRS form. A registered Secured Debentureholder, being a Secured Debentureholder who holds 2019 Debentures in his or her or its own name and is entered on the 2019 Debentures as the registered holder of 2019 Debentures, may attend the Meeting in person or may be represented by proxy. If you are a registered Secured Debentureholder, whether or not you are able to attend the Meeting, you are requested to complete, execute and deliver the enclosed form of proxy in accordance with the instructions set forth on the form to the Company, c/o Odyssey Trust Company, Attn.: Corporate Trust by no later than 10:00 a.m. (Vancouver time) on August 5, 2022 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournments or postponements thereof. **The time limit for the deposit of proxies may be waived by the chair of the Meeting at his discretion without notice.**

The persons named in the enclosed form of proxy are management of the Company. Each Secured Debentureholder has the right to appoint a proxyholder other than such persons, who need not be a Secured Debentureholder, to attend and to act for such Secured Debentureholder and on such Secured Debentureholder's behalf at the Meeting.

If you are a non-registered Secured Debentureholder or broker and you receive these materials through your broker, custodian, nominee or other intermediary, you should follow the instructions provided by your broker, custodian, nominee or other intermediary in order to vote your 2019 Debentures.

For additional information, see "*General Proxy and Debentureholder Meeting Matters*" in the Circular.

Procedures for the Surrender of Debentures and Receipt of New Secured Debentures

The 2019 Debentures have been issued in physical certificate and DRS form. If the Arrangement Resolution is passed, the New Secured Debentures to which holders of 2019 Debentures are entitled pursuant to the Arrangement will be

delivered, in physical certificate or DRS form, to Secured Debentureholders by the Trustee and Collateral Agent. The Trustee and Collateral Agent will also pay to each Secured Debentureholder its Pro Rata Share of the Cash Distribution Pool**. Holders of physical certificates of 2019 Debentures must surrender their physical certificates to the Trustee and Collateral Agent at 1230 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4 in order to receive their Pro Rata Share of the Cash Distribution Pool and their Pro Rata Share of the New Secured Debentures.** Holders of 2019 Debentures in DRS form do not need to take any action and will automatically receive their Pro Rata Share of the Cash Distribution Pool and their Pro Rata Share of the New Secured Debentures from the Trustee and Collateral Agent.

Recommendation of the Board

THE BOARD (OTHER THAN MICAH ANDERSON WHO HAS NOTED HIS DISCLOSABLE INTEREST AND ABSTAINED FROM VOTING) UNANIMOUSLY RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE *FOR* THE ARRANGEMENT RESOLUTION.

Management Information Circular

The accompanying Circular provides a detailed description of the Plan of Arrangement. Please give this material your careful consideration. If you require assistance, you should consult your financial, legal, income tax or other professional advisors.

The Plan of Arrangement is an important matter affecting the future of Icanic.

We encourage you to read the materials in the accompanying Circular carefully. Your vote is important. Whether or not you attend the Meeting, please take the time to vote your 2019 Debentures in accordance with the instructions contained in the accompanying Circular.

Yours truly,

(signed) "*Brandon Kou*"

Brandon Kou
Chief Executive Officer and Director
Icanic Brands Company Inc.

ICANIC BRANDS COMPANY INC.

("Icanic" or the "Company")

NOTICE OF MEETING OF DEBENTUREHOLDERS

TO BE HELD ON AUGUST 8, 2022

NOTICE IS HEREBY GIVEN that, a meeting (the "**Meeting**") of the holders ("**Secured Debentureholders**") of 9.00% convertible secured debentures convertible into common shares of the Company ("**Common Shares**") due June 6, 2022 ("**2019 Debentures**") of the Company will be held at 1500-1055 West Georgia Street, Vancouver, British Columbia, Canada on August 8, 2022 at 10:00 a.m. (Vancouver time).

The meeting will be held for the following purposes:

(a) to consider, pursuant to an order of the Supreme Court of British Columbia dated July 8, 2022 and, if deemed appropriate, to pass, with or without variation, the arrangement resolution (the "**Arrangement Resolution**") in the form attached as Appendix "A" to the management information circular dated July 11, 2022, (the "**Circular**") accompanying this Notice of Meeting of Secured Debentureholders, approving a plan of arrangement under Section 288 of the *Business Corporations Act* (British Columbia) (the "**Plan of Arrangement**"), to effect a recapitalization transaction (the "**Recapitalization Transaction**") pursuant to which, among other things, each holder of 2019 Debentures issued pursuant to the indenture respecting the 2019 Debentures between LEEF Holdings, Inc. ("**LEEF**") and Odyssey Trust Company ("**Odyssey**" or the "**Trustee and Collateral Agent**"), as trustee and collateral agent, dated as of June 6, 2019 (the "**2019 Debenture Indenture**"), as amended by the first supplemental convertible debenture indenture between Icanic, LEEF and Odyssey (the "**First Supplemental Debenture Indenture**"), will: (i) receive cash equal to 25% of the principal and interest outstanding on the 2019 Debentures on the Effective Date (as defined below); and (ii) receive new secured debentures in the principal amount equal to 75% of the principal and interest outstanding on the 2019 Debentures on the Effective Date (as defined below); (the "**New Secured Debentures**"), pursuant to a New Secured Debenture indenture between Icanic and Odyssey as trustee and collateral agent (the "**New Debenture Indenture**"). The New Secured Debentures will bear interest at 11% per annum and shall have a term of 24 months from the effective date of the Arrangement (the "**New Maturity Date**"). Interest on the New Secured Debentures shall be payable in cash on the New Maturity Date. The New Secured Debentures shall be convertible into units of Icanic at a conversion price of $0.10 per unit (each, a "**Unit**"), with each Unit comprised of one Common Share and a Common Share purchase warrant exercisable into a Common Share at a price of $0.15 per Common Share for a period of 24 months from the date of conversion (a "**Warrant**"). The Warrants will be governed by a warrant indenture to be entered into between Icanic and Odyssey (the "**Warrant Indenture**"). The New Debenture Indenture and the Warrant Indenture will be entered into as of Effective Date (as defined in the Circular). The full details of the Recapitalization Transaction are set out in the accompanying management information circular (the "**Circular**"). The full texts of the forms of the New Debenture Indenture and the Warrant Indenture are attached as Appendices "D" and "H", respectively, to the Circular; and

(b) to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Pursuant to the Arrangement, the New Secured Debentures will be the Company's secured obligations and will be guaranteed by the General Security Agreement (as defined in the Circular) against all of the property of the Company and its subsidiaries, to be entered into on the Effective Date (as defined in the Circular). Accordingly, the New Secured Debentures will rank: (i) equal in right of payment to all of the Company's existing and future secured indebtedness, subject to Permitted Liens (as defined in the New Debenture Indenture) as set forth under the New Debenture Indenture; and (ii) senior in right of payment with all of the Company's existing and future unsecured indebtedness.

See "*The Arrangement – Effect of the Arrangement"*.

Specific details of the matters to be put before the Meeting are set forth in the Circular. The full text of the Arrangement Resolution is attached as Appendix "A" to the Circular.

The record date for determination of Secured Debentureholders entitled to receive notice of and to vote at the Meeting is June 27, 2022 (the "**Record Date**").

The 2019 Debentures have been issued in physical certificate and DRS form. A registered Secured Debentureholder, being a Secured Debentureholder who holds 2019 Debentures in his or her or its own name and is entered on the 2019 Debentures as the registered holder of 2019 Debentures, may attend the Meeting in person or may be represented by proxy. If you are a registered Secured Debentureholder, whether or not you are able to attend the Meeting, you are requested to complete, execute and deliver the enclosed form of proxy in accordance with the instructions set forth on the form to the Company, c/o Odyssey Trust Company, Attn.: Corporate Trust by no later than 10:00 a.m. (Vancouver time) on August 5, 2022 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournments or postponements thereof. **The time limit for the deposit of proxies may be waived by the chair of the Meeting at his discretion without notice.**

The persons named in the enclosed form of proxy are management of the Company. Each Secured Debentureholder has the right to appoint a proxyholder other than such persons, who need not be a Secured Debentureholder, to attend and to act for such Secured Debentureholder and on such Secured Debentureholder's behalf at the Meeting.

If you are a non-registered Secured Debentureholder or broker and you receive these materials through your broker, custodian, nominee or other intermediary, you should follow the instructions provided by your broker, custodian, nominee or other intermediary in order to vote your 2019 Debentures.

For additional information, see "*General Proxy and Debentureholder Meeting Matters*" in the Circular.

NOTE OF CAUTION Concerning COVID-19

At the date hereof the Company intends to hold the Meeting at the location stated in the Notice of Meeting. The Company reserves the right to take pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to changes in COVID-19 including: change of Meeting date, change of Meeting venue or the way in which the Meeting is held, for example by virtual meeting. Should any changes to the Meeting occur, the Company will announce any and all changes by way of news release filed under the Company's profile on SEDAR at www.sedar.com as well as on our Company website at https://www.icaninc.com/. Please check the Company's website or SEDAR profile prior to the Meeting for the most current information. In the event of changes to the Meeting format due to COVID-19, the Company will not prepare or mail amended Meeting Proxy Materials.

If the Arrangement Resolution is approved by the Secured Debentureholders, the Company anticipates that the effective date of the Plan of Arrangement will be on or about August 15, 2022.

Dated at the City of Vancouver, in the Province of British Columbia, this 11th day of July, 2022.

BY ORDER OF THE BOARD OF DIRECTORS OF ICANIC BRANDS COMPANY INC.

(signed) "*Brandon Kou*" Brandon Kou

Chief Executive Officer and Director

Icanic Brands Company Inc.

MANAGEMENT INFORMATION CIRCULAR

Information Contained in this Circular

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the Management of Icanic for use at the Meeting. No person has been authorized to give any information or make any representation in connection with the Plan of Arrangement or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized. The Company will bear all costs of this solicitation.

These meeting materials are being sent to registered Secured Debentureholders. By choosing to send these materials to you directly, the Company has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

See "*General Proxy and Debentureholder Meeting Matters*".

Secured Debentureholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". Information contained in this Circular is given as of July 11, 2022 unless otherwise specifically stated. In this Circular, unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

Cautionary Statements Regarding Forward-Looking Statements

This Circular contains certain "forward-looking statements" and forward-looking information" (collectively, "**forward-looking statements**") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved.

This Circular contains forward-looking statements, pertaining to, among other things, the following: approval of the Arrangement Resolution; completion of the Arrangement, including the Board's belief that the Arrangement is likely to be completed in accordance with its terms and within a reasonable period of time; anticipated benefits of the Arrangement to the Company and its stakeholders, including its impact on the financial liquidity of the Company and the fact that the Arrangement is fair to Secured Debentureholders and in the best interests of the Company; effects of the Arrangement not being completed; anticipated timetable and dates for the Meeting and the completion of the Arrangement, including the Effective Date; logistics and business of the Meeting; any amendments to the Interim Order; any amendment, modification or supplement to the Plan of Arrangement; the application to the Court for the Final Order; approval of the Court of the Arrangement and the terms of the Plan of Arrangement; the receipt of the Final Order and any amendments thereto; the fulfillment, satisfaction or waiver of the conditions precedent to the Plan of Arrangement and the timing thereof; the execution of the New Debenture Indenture; the sequence and timing of events following the Effective Time on the Effective Date; the Board's discretion to determine not to proceed with the Arrangement Resolution and to revoke the Arrangement Resolution at any time prior to the Effective Date; the Board's intention to complete the Arrangement; the Company's ability to pay the principal and interest under the New Secured Debentures on the New Maturity Date; the further amendment of the Restructuring Support Agreement to include additional Secured Debentureholders; the costs to implement the Plan of Arrangement; the risks associated with the Arrangement and the risks associated with the business of the Company; the ability of the Company to move forward if the Arrangement Resolution is not approved; tax considerations applicable to a Secured Debentureholder

arising from the Arrangement; the Company's ability to continue to operate as a going concern and to continue to implement its growth plan; the ability of the Company to obtain the financing it requires to continue its business and operations; the development of infrastructure and facility construction.

Forward-looking statements are necessarily based upon a number of assumptions that, while considered reasonable by Icanic as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The assumptions of the Company contained in this Circular, which may prove to be incorrect, include, among other things: the benefits of the Arrangement; the continued ability of the Company to succeed in implementing its business plan; the Company's ability to obtain additional financing; the Company's ability to repay the outstanding interest and principal amounts of the New Secured Debentures on the New Maturity Date; that general economic and market conditions will not deteriorate beyond currently anticipated levels; and the continued ability of the Company to manage costs and continue as a going concern. Some of these assumptions are based on certain factors and events that are not within the control of Icanic. There is no assurance that these assumptions will prove to be correct.

Forward-looking statements are subject to known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied in such forward-looking statements. Such risks, uncertainties and factors include, among others: the conditions precedent to the Arrangement, including receipt of Court approval, may not be satisfied or waived; the Arrangement may not have the effect of increasing the Company's financial liquidity expected or required to implement its business plan and continue as a going concern; the Company may not be able to repay the principal amount and interest owing on the New Secured Debentures in cash on the New Maturity Date; the Company is not currently profitable and it may not become profitable again; the Company has limited financial resources and a limited source of income to further its business plan and to fulfill its obligations under existing agreements. In the event the Arrangement is not approved: the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects; and, if the Arrangement is not approved, pursuant to the terms of the Restructuring Support Agreement, the Company will be required to implement the Recapitalization Transaction pursuant to the CCAA Plan, through a CCAA Proceeding.

Although Icanic believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. Icanic's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements. In addition, this Circular may contain forward-looking statements attributed to third-party industry sources. Undue reliance should not be placed on any of these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward- looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur.

Readers are cautioned that the foregoing lists are not exhaustive. The information contained in this Circular, including the information provided under "*Risk Factors*", discusses certain of the items identified above and their impact more fully and identifies additional factors and uncertainties that could affect the performance and operating results of Icanic. Readers are urged to carefully consider those factors and the other information contained in this Circular. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these factors are interdependent, and Company management's future course of action will depend on the assessment of all information at that time. Company management has included the above summary of assumptions and risks related to forward-looking statements provided in this Circular in order to provide Secured Debentureholders with a more complete perspective on Icanic's current and future operations and such information may not be appropriate for other purposes.

This Circular may also contain information that constitutes future-oriented financial information or financial outlook information, all of which are subject to the same assumptions, risk factors, limitations and qualifications set forth above. Such information includes (i) statements regarding the reduction of Icanic's pro forma debt following the Arrangement; (ii) statements regarding the reduction of Icanic's annual interest expense following the Arrangement; (iii) statements regarding the improvement of Icanic's financial strength and reduction of financial risk following the

Arrangement and (iv) statements about improvements to Icanic's sustainability following the Arrangement. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on such future-oriented financial information or financial outlook information. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, such future-oriented financial information or financial outlook information. The Company has included such information in order to describe the current anticipated effect of the Arrangement. Such information may not be appropriate for other purposes and readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein. Future-oriented financial information or financial outlook information contained herein was made as of the date of this Circular

Statements including forward-looking statements are made as of the date they are given and, except as required by applicable Securities Laws, Icanic disclaims any intention or obligation to publically update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The forward-looking statements contained in this Circular are expressly qualified by this cautionary statement.

Information for U.S. Secured Debentureholders

The New Secured Debentures, the Units issuable upon conversion of the New Secured Debentures, the Unit Shares and Warrants comprising the Units, and the Warrant Shares issuable upon exercise of the New Secured Debentures have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. The New Secured Debentures will be issued in partial exchange for the 2019 Debentures in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof on the basis of the approval of the Court as described under "*The Arrangement - Required Approvals - Court Approval of the Arrangement*".

This solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitation and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate Laws and Securities Laws, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Debentureholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

All audited and unaudited financial statements and other financial information included or incorporated by reference in this Circular have been prepared in Canadian dollars, and in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards, which differ from the generally accepted accounting principles in the United States ("**U.S. GAAP**") and United States auditing and auditor independence standards in certain material respects. Consequently, such financial statements and other financial information are not comparable in all respects to financial statements and other financial information prepared in accordance with U.S. GAAP and that are subject to United States auditing and auditor independence standards.

Secured Debentureholders should be aware that the receipt of the New Secured Debentures described herein, may have material tax consequences both in the United States and in Canada. See "*Certain Canadian Federal Income Tax Considerations*". Such consequences for Secured Debentureholders who are resident in, or citizens of, the United States are not described in this Circular. **Secured Debentureholders who are resident in, or citizens of, the United States are advised to consult their tax advisors regarding the United States tax consequences to them of the transactions to be effected in connection with the issuance of New Secured Debentures, in light of their particular situation, as well as any tax consequences that may arise under the Laws of any other relevant foreign, state, local or other taxing jurisdiction.**

The enforcement by investors of civil liabilities under U.S. securities Laws may be affected adversely by the fact that the Company is incorporated or existing under the Laws of a country other than the United States, that most or all its respective officers and directors are, or will be, residents of countries other than the United States, that certain experts named in this Circular are residents of countries other than the United States, and that all or substantial portions of the assets of the Company are, or will be, located outside the United States. As a result, it may be difficult or impossible

for U.S. Debentureholders to effect service of process within the United States upon the Company and its directors and officers, or to realize against them, upon judgments of courts of the United States predicated upon civil liabilities under the federal securities Laws of the United States or "blue sky" Laws of any state within the United States. In addition, U.S. Debentureholders should not assume that the courts of Canada: (i) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities Laws of the United States or "blue sky" Laws of any state within the United States; or (ii) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities Laws of the United States or "blue sky" Laws of any state within the United States.

THE SECURITIES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR ANY SUCH STATE REGULATORY AUTHORITY PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Circular, including the summary hereof.

"2019 Debentures" means the 9% secured debentures convertible into Common Shares issued under the 2019 Debenture Indenture, in the original principal amount of US$14,252,562, and due on June 6, 2022**;**

"**2019 Debenture Documents**" means, collectively, (i) the 2019 Debenture Indenture; and (ii) all related documentation, including, without limitation, all certificates and other instruments, related to the foregoing;

"**2019 Debenture Indenture**" means the convertible debenture indenture dated June 6, 2019 among LEEF Holdings, Inc., the Trustee and Collateral Agent, as amended and supplemented by the First Supplemental Debenture Indenture;

"**affiliate**" has the meaning ascribed thereto in the Securities Act, unless otherwise defined in this Circular;

"**allowable capital loss**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations - Residents of Canada - Taxation of Capital Gains and Losses*";

"**Arrangement**" means an arrangement under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 7.5 of the Plan of Arrangement or made at the direction of the Court in the Interim Order or the Final Order and with the consent of the Petitioner and the Requisite Consenting Parties, each acting reasonably;

"**Arrangement Proceedings**" means the proceedings commenced by the Petitioners under the BCBCA in connection with the Plan of Arrangement;

"**Arrangement Resolution**" means the resolution approving the Arrangement, substantially in the form set out in Appendix "A" to this Circular, approved by a majority in number of Secured Debentureholders that hold not less than 3/4 of the principal amount of the outstanding 2019 Debentures present or represented by proxy at the Meeting, at which not less than two Secured Debentureholders holding not less than 5% of the principal amount of the 2019 Debentures then outstanding are represented in person or by proxy;

"**associate**" has the meaning ascribed thereto in the Securities Act;

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

"**Board**" or "**Board of Directors**" means the board of directors of Icanic; any recommendation or determination of the Board referenced in this Circular shall be deemed to exclude any director who noted a disclosable interest and abstained from voting on any matter, which, for greater certainty, shall exclude Micah Anderson in respect of any recommendation or determination of the Board in respect of the Arrangement or the Arrangement Resolution;

"**Business Day**" means any day, other than a Saturday, Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario, Vancouver, British Columbia or New York, New York;

"**Cash Distribution Pool**" means an amount equal to US$3,563,140.50 plus interest on that amount calculated at the rate provided for in the 2019 Debentures for the period between June 6, 2022 and the Effective Date;

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C- 36, as amended, including the regulations promulgated thereunder;

"**CCAA Plan**" means a plan of reorganization, compromise or arrangement under the CCAA;

"**CCAA Proceedings**" means proceedings under the CCAA;

"**CCAA Solicitation**" has the has the meaning ascribed thereto under "*The Restructuring Support Agreement – Alternative Implementation Process"*;

"**CDS**" means the nominee of CDS Clearing and Depository Services Inc., or any of its successors or assigns;

"**Circular**" means this management information circular of the Company dated July 11, 2022 together with all Appendices attached hereto, distributed by the Company to the Secured Debentureholders in connection with the Meeting;

"**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against the Icanic Parties, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim made or asserted against the Icanic Parties through any affiliate, subsidiary, associated or related person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future;

"**Closing Certificate**" means a certificate in the form attached to the Plan of Arrangement as Appendix "A" to be signed and issued by an authorized representative of the Petitioner in accordance with the terms of section 6.1 of the Plan of Arrangement;

"**Common Shares**" means common shares in the capital of the Company;

"**Company**" or "**Icanic**" means Icanic Brands Company Inc., a corporation incorporated under the Laws of the Province of British Columbia;

"**Consenting Debentureholders**" means the Secured Debentureholders who have executed the Restructuring Support Agreement;

"Collateral" means all of the property of the Company and its subsidiaries, which the New Secured Debentures are secured against pursuant to the General Security Agreement;

"**Court**" means the Supreme Court of British Columbia;

"**Debentureholders' Released Parties**" means, collectively, (i) the Secured Debentureholders and each of their respective limited partners, general partners and affiliated management companies; (ii) each of their respective officers, directors, employees and controlling persons holding office or employed as of the date of the Support Agreement, in each case, including in any such individual's former capacity as an officer, director, employee or controlling person; and (iii) their counsel and advisors in respect of the Restructuring Support Agreement, Plan of Arrangement and Arrangement Proceedings;

"**Definitive Documents**" means all definitive agreements, court materials and other material documents in connection with the Recapitalization Transaction, and the Arrangement Proceedings and/or the CCAA Proceedings (as applicable) and any and all amendments, modifications or supplements relating to any of the foregoing, including, without limitation and as applicable, the Restructuring Support Agreement, Plan of Arrangement, the Interim Order, the Final Order, the New Debenture Indenture and all material applications, motions, pleadings, orders, rulings and other

documents filed by the Company with the Court in the Arrangement Proceedings or the CCAA Proceedings, the Circular and any other material documentation required in connection with the meetings of the Secured Debentureholders, and if required, shareholders and all other material transaction documents relating to the Recapitalization Transaction and the Plan of Arrangement (including any new (or amended) articles of incorporation, by-laws and other constating documents of the Company), all of the foregoing in form and substance acceptable to the Company and Consenting Debentureholders, each acting reasonably;

"**Effective Date**" means the date shown on the Closing Certificate;

"**Effective Time**" means the time on the Effective Date specified as the "Effective Time" on the Closing Certificate;

"**Icanic Parties**" means, Icanic, LEEF, Paleo Pay Corp. d/b/a LEEF Organics, Payne's Distribution LLC d/b/a LEEF Distribution, Seven Zero Seven LLC d/b/a LEEF Labs, Willits Retail, LLC, EC Retail LLC, Anderson Development SB, LLC, LEEF Management, LLC, Preferred Brand LLC, de Krown Enterprises LLC, 1200665 B. C. Ltd, 1127466 B. C. Ltd., THC Engineering Holdings LLC, X-Spray Industries Inc., THC Engineering LLC and AYA Biosciences, Inc.;

"**Icanic Released Parties**" means, collectively, (i) the Icanic Parties; (ii) each of their respective officers, directors and employees; and (iii) each financial advisor and legal counsel that advised the Icanic Parties in respect of the Restructuring Support Agreement, Plan of Arrangement and Arrangement Proceedings;

"**Final Order**" means the Order of the Court approving the Arrangement under Section 291 of the BCBCA, which shall include such terms as may be necessary or appropriate to give effect to the Arrangement and the Plan of Arrangement;

"**First Supplemental Debenture Indenture**" means the first supplemental indenture to the 2019 Debentures, dated as of April 20, 2022 among Icanic, LEEF and Odyssey;

"**General Security Agreement**" means the security agreement to be entered into amongst Icanic, the Guarantors and Odyssey on the Effective Date securing the New Secured Debentures against all of the property of the Company and its subsidiaries;

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory, state, municipality or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Guarantors**" means each of LEEF, Paleo Pay Corp. d/b/a Leef Organics, Payne's Distribution LLC d/b/a Leef Distribution, Seven Zero Seven LLC d/b/a Leef Labs, Willits Retail, LLC, EC Retail LLC, Anderson Development SB, LLC, Leef Management, LLC, Preferred Brand LLC, de Krown Enterprises LLC, 1200665 B. C. Ltd, 1127466 B. C. Ltd., THC Engineering Holdings LLC, X-Spray Industries Inc., THC Engineering LLC and AYA Biosciences, Inc.;

"**Holder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*";

"**IFRS**" means International Financial Reporting Standards;

"Initial CCAA Order" has the meaning ascribed thereto under "*The Restructuring Support Agreement – Alternative Implementation Process"*;

"**Interim Order**" means the interim order of the Court in respect of the Petitioner pursuant to the BCBCA which, among other things, calls and sets the date for the Meetings, as such order may be amended from time to time, attached as Appendix "C" to this Circular;

"**Law**" or "**Laws**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States, or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity, but excluding all U.S. federal and Canadian federal, provincial or territorial laws, statutes, codes, ordinances, decrees, rules and regulations which apply to the production, trafficking, distribution, processing, extraction, sale or any transactions promoting the business or involving the proceeds of marijuana (cannabis) and related substances (collectively, the "**Excluded Laws**"), provided, however, that Excluded Laws shall not include any provision of the U.S. Internal Revenue Code, as amended (the "**Code**"), including, without limitation, Section 280E of the Code;

"**Management**" means the management of Icanic;

"**Material**" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of Icanic;

"**Maturity Date**" means June 6, 2022;

"**Meeting**" means the meeting of Secured Debentureholders to be held on August 8, 2022 10:00 a.m. (Vancouver time) at 1500-1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7 to consider and, if deemed advisable, approve the Arrangement Resolution and such other matters in accordance with the Interim Order, as may properly come before such meeting and any adjournment(s) or postponement(s) thereof;

"New Debenture Indenture" means the indenture to be entered into between Icanic and Odyssey as trustee and collateral agent as of the Effective Date governing the New Secured Debentures pursuant to the Arrangement;

"**New Maturity Date**" means 24 months from the Effective Date;

"New Secured Debentures" means the 11% secured debentures due 24 months from the date of issuance, to be issued pursuant to the New Debenture Indenture;

"New Secured Debentureholder" means a Holder of New Secured Debentures;

"**New Secured Debentures Principal Amount**" means US$10,689,421.50 plus interest on that amount calculated at the rate provided for in the 2019 Debentures for the period between June 6, 2022 and the Effective Date;

"**Nominee**" means the broker, dealer, bank other financial institution or other Person through which a beneficial Secured Debentureholder holds its 2019 Debentures;

"**Non-Resident Holder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations - Non-Residents of Canada*";

"**Notice of Meeting**" means the Notice of Meeting that accompanies this Circular;

"**Odyssey"** means Odyssey Trust Company;

"**Order**" means any order of the Court in the Arrangement Proceedings;

"**Outside Date**" means (i) in respect of the Arrangement Proceedings, October 31, 2022; and (ii) in respect of the CCAA Proceedings commenced in accordance with Restructuring Support Agreement, December 31, 2022, provided that, in either case, such dates shall be automatically extended, upon the written consent of the Consenting Debentureholders, acting reasonably, to the date on which any regulatory approval or consent condition to implementation of the Plan of Arrangement or the CCAA Plan, as applicable, is satisfied or waived;

"**Person**" is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government

Entity or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;

"Petitioners" means Icanic;

"**Plan of Arrangement**" means the plan of arrangement substantially in the form attached as Appendix "E" to this Circular, as amended or supplemented from time to time in accordance with the terms thereof;

"**Pro Rata Share**" means the percentage that the principal amount of 2019 Debentures held by a Secured Debentureholder bears to the aggregate principal amount of all 2019 Debentures as at the Record Date;

"**Recapitalization Transaction**" means the transactions undertaken to recapitalize the Company, as contemplated in the Restructuring Support Agreement, which may occur by way of the Arrangement Proceedings, or, if the necessary approvals are not obtained, the CCAA Proceedings;

"**Recapitalization Transaction Terms**" means the terms of the Recapitalization Transaction as set out in the Restructuring Support Agreement and the Term Sheet;

"**Record Date**" means the close of business on June 27, 2022;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**Released Parties**" means, collectively, the Icanic Released Parties and the Debentureholders' Released Parties;

"**Requisite Consenting Parties**" means the Secured Debentureholders that hold (or held) at least 75% in value of the 2019 Debentures outstanding on the Record Date;

"**Resident Holder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations - Residents of Canada*";

"**Restructuring Support Agreement**" means the restructuring support agreement dated June 6, 2022 between the Icanic Parties and the Consenting Debentureholders, pursuant to which the Consenting Debentureholders have agreed to, among other things, vote for the Arrangement Resolution implementing the Recapitalization Transaction;

"**Scrutineer**" means Odyssey;

"**SEC**" means the United States Securities and Exchange Commission;

"**Secured Debentureholder**" means a holder of 2019 Debentures and their permitted successors and assigns;

"**Secured Debentureholder Claim**" means any Claim of a Secured Debentureholder for amounts payable to it under the 2019 Debentures and the 2019 Debenture Indenture, including all principal, accrued interest, make-whole, premium and other amounts owing under the 2019 Debentures and the 2019 Debenture Documents;

"**Securities Act**" means the *Securities Act*, RSBC 1996, c 418, as amended, including the regulations promulgated thereunder;

"**Securities Laws**" means the Securities Act, all other applicable Canadian securities Laws and all rules and regulations thereunder;

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

"Shareholders" means holders of Common Shares;

"**Stock Option**" means an option to purchase Common Shares granted in accordance with the terms of the Stock Option Plan, which has not been exercised, cancelled or otherwise terminated in accordance with the provisions of the Stock Option Plan;

"**Stock Option Plan**" means the 10% "rolling" stock option plan of the Company, approved by Shareholders on May 27, 2016, pursuant to which Stock Options may be granted to directors, officers, employees or consultants of the Company;

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c 1 (5th Supp), as amended, including the regulations promulgated thereunder;

"**taxable capital gain**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations - Residents of Canada - Taxation of Capital Gains and Losses*";

"Trustee and Collateral Agent" or "Odyssey" means Odyssey Trust Company;

"**Term Sheet**" means the restructuring term sheet attached as Schedule "C" to the Restructuring Support Agreement, which describes the general terms of the Recapitalization Transaction;

"**United States**" or "**U.S.**" means, as the context requires, the United States of America, its territories and possessions, any State of the United States, and/or the District of Columbia;

"**Unit**" means the units issuable upon conversion of the New Secured Debentures, with each Unit comprised of a Unit Share and a Warrant;

"**Unit Share**" means a Common Share comprising part of a Unit;

"**U.S. Debentureholder**" means any Secured Debentureholder that is, or is acting for the account or benefit of, a person in the United States;

"**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934*, as amended;

"**U.S. GAAP**" has the meaning ascribed thereto under "*Management Information Circular - Information for U.S. Debentureholders*";

"**U.S. person**" has the meaning ascribed thereto in Rule 902(k) of Regulation S (the definition of which includes, but is not limited to, (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any partnership or corporation organized outside of the United States by a U.S. person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized, or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act) who are not natural persons, estates or trusts; and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. person);

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

"**Warrant**" means a Common Share purchase warrant comprising part of a Unit, exercisable at a price of $0.15 per Warrant Share for a period of 24 months from the date of issuance;

"**Warrant Indenture**" means the warrant indenture to be entered into by Icanic and Odyssey, governing the Warrants; and

"**Warrant Share**" means a Common Share issuable upon exercise of a Warrant in accordance with its terms.

SUMMARY

The following summary of certain information contained elsewhere in this Circular, including the Appendices hereto, is provided for convenience only and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Circular, and the Appendices hereto. Capitalized terms used in this summary are defined in the "Glossary of Terms".

Icanic Brands Company Inc.

Icanic is a cannabis branded products manufacturer based in Northern California.

The Common Shares are listed and traded on the CSE. The trading symbol for the Common Shares is "ICAN".

As of May 12, 2022 Icanic had 1,019,258,205 Common Shares issued and outstanding and as at June 6, 2022, the Company had 14,253 2019 Debentures outstanding in the principal amount of US$14,252,562 million.

The head office of the Company is located at Suite 1500, 1055 West Georgia Street, Vancouver, BC V6E 4N7. The registered and records office of the Company is located at Suite 810, 789 West Pender Street, Vancouver, BC, V6C 1H2.

See "*Certain Information Concerning the Company*".

The Meeting

The Meeting will be held at, 1500-1055 West Georgia Street, Vancouver, British Columbia, Canada on August 8th, 2022 at 10:00 a.m. (Vancouver time) for the purposes set forth in the Notice of Meeting. The business of the Meeting will be for the Secured Debentureholders to consider and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution approving the Arrangement and the Plan of Arrangement, to effect the Recapitalization Transaction to which, among other things each Secured Debentureholder will (i) receive cash equal to 25% of the principal and interest outstanding on the 2019 Debentures on the Effective Date; and (ii) New Secured Debentures pursuant to the New Debenture Indenture in the principal amount equal to 75% of the principal and interest outstanding on the 2019 Debentures on the Effective Date. The New Secured Debentures will be governed by the new Debenture Indenture and will bear interest at 11% per annum and shall have a term of 24 months from the effective date of the Arrangement (the "**New Maturity Date**"). Interest on the New Secured Debentures shall be payable in cash at the New Maturity Date. The New Secured Debentures shall be convertible into Units at a conversion price of $0.10 per unit with each Unit comprised of a Unit Share and a Warrant. The Warrants will be governed by the Warrant Indenture. The New Debenture Indenture and the Warrant Indenture will be entered into as of Effective Date. The full text of the Arrangement Resolution is set forth in Appendix "A" to this Circular. The full texts of the forms of the New Debenture Indenture and the Warrant Indenture are set forth in Appendices "D" and "G" to this Circular. In addition, the Company will issue additional New Secured Debentures to insiders of the Company or certain strategic investors arranged by the Company for gross proceeds up to US$2.0 million, anticipated to close on or about the Effective Date.

Pursuant to the Arrangement, the New Secured Debentures will be the Company's secured obligations and will be guaranteed by the General Security Agreement against all of the property of the Company and its subsidiaries, to be entered into on the Effective Date. Accordingly, the New Secured Debentures will rank: (i) equal in right of payment to all of the Company's existing and future secured indebtedness, subject to Permitted Liens as set forth under the New Debenture Indenture; and (ii) senior in right of payment with all of the Company's existing and future unsecured indebtedness.

See "*The Arrangement – Effect of the Arrangement*".

The Board has fixed the record date for the Meeting as at the close of business on June 27, 2022. Secured Debentureholders of record as at the Record Date are entitled to receive notice of, to attend and to vote at the Meeting on the Arrangement Resolution.

The 2019 Debentures have been issued in physical certificate and DRS form. A registered Secured Debentureholder, being a Secured Debentureholder who holds 2019 Debentures in his or her or its own name and is entered on the 2019 Debentures as the registered holder of 2019 Debentures, may attend the Meeting in person or may be represented by proxy. If you are a registered Secured Debentureholder, whether or not you are able to attend the Meeting, you are requested to complete, execute and deliver the enclosed form of proxy in accordance with the instructions set forth on the form to the Company, c/o Odyssey Trust Company Attn.: Corporate Trust by no later than 10:00 a.m. (Vancouver time) on August 5, 2022 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournments or postponements thereof. **The time limit for the deposit of proxies may be waived by the chair of the Meeting at his discretion without notice.**

The persons named in the enclosed form of proxy are management of the Company. Each Secured Debentureholder has the right to appoint a proxyholder other than such persons, who need not be a Secured Debentureholder, to attend and to act for such Secured Debentureholder and on such Secured Debentureholder's behalf at the Meeting.

If you are a non-registered Secured Debentureholder or broker and you receive these materials through your broker, custodian, nominee or other intermediary, you should follow the instructions provided by your broker, custodian, nominee or other intermediary in order to vote your 2019 Debentures.

See "*General Proxy and Secured Debentureholder Meeting Matters"*.

The Arrangement

The following is only a summary of the Arrangement. This summary is qualified in its entirety by the full text of the Plan of Arrangement. For complete details, reference should be made to the Plan of Arrangement, which is attached as Appendix "E" to this Circular.

Background to the Arrangement

The Circular contains a summary of the considerations by the Board and Management leading up to the finalization of the Restructuring Support Agreement, entered into between the Company, the Company's subsidiaries, and the Consenting Debentureholders, and the announcement of the Meeting and the Arrangement.

See "*The Arrangement - Background to the Arrangement*".

Reasons for the Arrangement

The purpose of the Arrangement is to, among other things, approve the Plan of Arrangement to effect the Recapitalization Transaction.

The Plan of Arrangement is expected to provide a number of benefits to Icanic, including the following:

(a) Reduce Icanic's pro forma debt from an estimate of US$14.5 million to approximately US$10.9 million;

(b) reduce Icanic's potential annual cash interest expense by approximately US$110,000;

(c) normalize Icanic's capital structure to be competitive with industry peers in the current challenging equity market environment;

(d) improve Icanic's financial strength and reduce financial risk;

(e) improve Icanic's sustainability;

(f) provide increased certainty to the capital markets with respect to Icanic's capital structure; and

(g) encourage investor interest in the Company.

The Board (other than Micah Anderson who noted his disclosable interest and abstained from voting) in determining unanimously that the Arrangement is fair to Secured Debentureholders and in the best interests of the Company, and recommending to Secured Debentureholders that they approve the Arrangement, considered and relied upon a number of factors, including, among others, the following:

(a) the significant liquidity and capital constraints faced by Icanic due to its outstanding indebtedness and limited operating cash flow;

(b) the Board's assessment of the current and future state of the credit, debt and equity markets and the likelihood that they could be accessed in the future to provide the Company with the full amount of funding it requires to finance its business and operations, exploit its asset base and satisfy its current debt obligations, including the risk that such funding may not be obtained in a reasonable time or in full or on terms satisfactory to the Company;

(c) the Board's assessment of market conditionsand anticipated related impacts on bank lending, asset disposition opportunities or other strategic alternatives;

(d) the financial risks associated with the Company continuing as a going concern without the Arrangement being approved;

(e) efforts to solicit alternative proposals from potential counterparties did not result in any credible proposal that would provide superior value to the Secured Debentureholders compared to that provided for under the Arrangement;

(f) Secured Debentureholders will have an opportunity to vote on the Arrangement Resolution;

(g) the alternative to the Arrangement is the implementation of the Recapitalization Transaction by way of a CCAA Proceeding;

(h) the risks to the Company if the Arrangement is not completed in a timely manner, or at all, including the costs incurred in pursuing the Arrangement, the diversion of Management resources away from the conduct of the Company's business and the resulting uncertainty to the Company's stakeholders and the Board's belief that the Arrangement is likely to be completed in accordance with its terms and within a reasonable period of time;

(i) the likelihood that any potential transaction involving the Company would receive the required approvals under applicable Laws and on terms and conditions satisfactory to the Company and the third parties; and

(j) in connection with the Arrangement, holders of approximately 77.34% of the principal amount of 2019 Debentures have executed the Restructuring Support Agreement.

The foregoing discussion of the information and factors considered and given weight by the Board is not intended to be exhaustive. In reaching the determination to approve and recommend the Plan of Arrangement, the Board did not assign any relative or specific weights to the foregoing factors, but individual directors may have given different weights to different factors. The Board (other than Micah Anderson who noted his disclosable interest and abstained from voting) unanimously approved the Arrangement and related matters and was unanimous in their recommendation that the Secured Debentureholders vote ***FOR*** the Arrangement Resolution.

See "*The Arrangement - Reasons for the Arrangement*".

Proposed Timetable for the Arrangement

If the Meeting is held as scheduled and is not adjourned or postponed, and the Secured Debentureholders approve the Arrangement Resolution, Icanic anticipates applying to the Court for the Final Order approving the Arrangement on or before August 15, 2022. If the Final Order is obtained on August 15, 2022, in form and substance satisfactory to Icanic, and all other conditions to the completion of the Arrangement are satisfied or waived, Icanic expects the Effective Date of the Arrangement to occur on or about August 16, 2022. Notice of the actual Effective Date will be given to Secured Debentureholders by way of a press release prior to the Effective Date when all conditions to the Arrangement have been met and the Board is of the view that all elements of the Arrangement will be completed.

See "*The Arrangement - Proposed Timetable for the Arrangement*".

Description of the Arrangement

Secured Debentureholders are being asked to consider the Arrangement Resolution to approve the Plan of Arrangement to effect the Recapitalization Transaction, pursuant to which, on the Effective Date and in accordance with the steps and sequence as set forth in section 4.3 of the Plan of Arrangement, each Secured Debentureholder shall receive:

(a) its Pro Rata Share of the Cash Distribution Pool, to be paid in connection with the Arrangement; and

(b) its Pro Rata Share of the New Secured Debentures issued for the New Secured Debentures Principal Amount in connection with the Arrangement, which shall, and shall be deemed to, be received in full and final settlement of its 2019 Debentures and Secured Debentureholder Claims.

After giving effect to the terms of section 3.1 and 3.2 of the Plan of Arrangement, the obligations of the Icanic Parties with respect to the 2019 Debentures and the 2019 Debenture Indenture shall, and shall be deemed to, have been irrevocably and finally extinguished, each Secured Debentureholder shall have no further right, title or interest in or to the 2019 Debentures or its Secured Debentureholder Claim, and the 2019 Debentures and the 2019 Debenture Indenture shall be cancelled.

The issuance of New Secured Debentures in exchange for the 2019 Debentures and Secured Debentureholder Claims pursuant to this Plan of Arrangement has not been and will not be registered under the US Securities Act or any U.S. state securities laws, but will be issued pursuant to the exemption set forth in Section 3(a)(10) of the U.S. Securities Act.

The full text of the Arrangement Resolution is attached as Appendix "A" to this Circular and the full text of the Plan of Arrangement is attached as Appendix "E" to this Circular.

See "*The Arrangement - Description of the Arrangement*".

Implementation of the Arrangement

Assuming the Final Order is granted and the other conditions to implementation of the Arrangement contained in the Plan of Arrangement are satisfied or waived, it is anticipated that the following will occur and be deemed to occur sequentially, in the following order, without any further act or formality required on the part of any Person as at the Effective Time on the Effective Date.

(a) The outstanding principal amount of each Secured Debentureholder's 2019 Debentures, plus all accrued and unpaid interest on such principal amount, shall be forgiven, settled and extinguished;

(b) Concurrently:

(i) The Secured Debentureholder shall become "New Secured Debentureholders"

(ii) Icanic, the New Secured Debentureholders, the Trustee and Collateral Agent shall have been deemed to have entered into the New Debenture Indenture and all related documentation;

(iii) Icanic shall deliver or pay (or cause to be delivered or paid), as the case may be, to each New Secured Debentureholder:

(A) its New Secured Debentures in an aggregate principal amount equal to such New Secured Debentureholders Pro Rata Share of the New Secured Debentures Principal Amount, which New Secured Debentures shall be distributed in the manner described in section 3.1 of the Plan of Arrangement; and

(B) a cash amount equal to its Pro Rata Share of the of the Cash Distribution Pool, which amount shall be paid in the manner described in Section 3.2 of the Plan of Arrangement.

(c) Concurrently with the delivery of the New Secured Debentures to be issued to the New Secured Debentureholders

(i) the Secured Debentureholder Claims shall, and shall be deemed to be, irrevocably and finally extinguished and such Secured Debentureholder shall have no further right, title or interest in and to the 2019 Debentures or its Secured Debentureholder Claim; and

(ii) the 2019 Debentures and the 2019 Debenture Documents shall be cancelled, provided that the 2019 Debenture Documents shall remain in effect solely to allow the applicable persons, as necessary, to make the distributions set forth in the Plan of Arrangement; and

(d) The releases referred to in Section 5.1 of the Plan of Arrangement shall become effective. See *"Description of the Arrangement – Releases and Waivers*."

See "*The Arrangement - Description of the Arrangement*" and "*The Arrangement - Conditions to the Implementation of the Plan of Arrangement*."

Required Approvals

Debentureholder Approval of the Arrangement

For the Arrangement to be effective, the Arrangement Resolution must be passed, with or without variation, by the affirmative vote of a majority in number of Secured Debentureholders that hold at least 3/4 of the principal amount of the 2019 Debentures outstanding, present in person or represented by proxy and voted at the Meeting. The holders of the 2019 Debentures will receive one vote for each US$1,000 principal amount held.

The quorum for the Meeting has been set in the Interim Order. The quorum required at the Meeting will be the presence in person or by proxy of at least two persons who are, or who represent by proxy, Secured Debentureholders who, in the aggregate, constitute at least 5% of the total principal amount of the 2019 Debentures entitled to vote at the Meeting.

See "*The Arrangement - Required Approvals - Debentureholder Approval of the Arrangement*" and "*The Arrangement - Conditions to the Implementation of the Plan of Arrangement*".

Court Approval of the Arrangement

The Arrangement requires approval by the Court under Part 9: Division 5 of the BCBCA. On July 8, 2022 Icanic obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. Copies

of the Notice of Hearing of Petition for the Final Order to approve the Arrangement and Interim Order are attached as Appendices "B" and "C", respectively, to this Circular.

Subject to the approval of the Arrangement Resolution at the Meeting, and certain other conditions, the Company intends to make an application to the Court to obtain the Final Order on or about August 15, 2022, or such other date as the Court will advise.

The Court has broad discretion under the BCBCA when making orders in respect of arrangements and the Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

See "*The Arrangement - Required Approvals - Court Approval of the Arrangement*" and "*The Arrangement - Conditions to the Implementation of the Plan of Arrangement*".

Regulatory Approvals and Listing Matters

The issuance of the New Secured Debentures pursuant to the Plan of Arrangement will be exempt from the prospectus and registration requirements under Securities Laws.

See "*The Arrangement - Required Approvals - Regulatory Approvals and Listing Matters*" and "*The Arrangement - Conditions to the Implementation of the Plan of Arrangement*".

Amendment and Termination of the Plan of Arrangement Prior to the Effective Date

The Arrangement Resolution authorizes the Board, without further notice to or approval of the Secured Debentureholders, subject to the terms of the Plan of Arrangement and the Restructuring Support Agreement, to amend the Plan of Arrangement or to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA. At the present time, the Board does not anticipate that this discretion will be exercised, and intends to complete the Arrangement.

See "*The Arrangement - Amendment and Termination of the Plan of Arrangement Prior to the Effective Date*".

Failure to Complete the Arrangement

If the Company fails to complete the Arrangement, the Recapitalization Transaction will be implemented through the CCAA Plan pursuant to a CCAA Proceeding, in accordance with Icanic's obligations under the Restructuring Support Agreement, before the Court.

Additionally, failure to complete the Arrangement could have a Material negative effect on the market price of the Common Shares and the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects.

Recommendations of the Board Concerning the Arrangement

The Board (other than Micah Anderson who noted his disclosable interest and abstained from voting), after consulting with its legal and other advisors and after careful consideration has unanimously concluded that the Plan of Arrangement is fair to Secured Debentureholders and in the best interests of the Company and, as such, has authorized submission of the Arrangement Resolution to Secured Debentureholders for approval and the submission of the Plan of Arrangement to the Court for approval.

The Board (other than Micah Anderson who noted his disclosable interest and abstained from voting) unanimously recommends that the Secured Debentureholders vote ***FOR*** the Arrangement Resolution.

See "*Recommendations of the Board Concerning the Arrangement*".

Restructuring Support Agreement

In connection with the Arrangement, the Company has entered into a Restructuring Support Agreement with the Consenting Debentureholders. As at the date hereof, holders of approximately 77.34% of the principal amount of 2019 Debentures have executed the Restructuring Support Agreement pursuant to which the Consenting Debentureholders have agreed to, among other things, vote their 2019 Debentures in favour of the Arrangement Resolution. The Restructuring Support Agreement may be amended to include additional Secured Debentureholders prior to the Meeting.

A copy of the form of Restructuring Support Agreement is available under Icanic's profile on SEDAR at www.sedar.com.

See "*Restructuring Support Agreement*".

Certain Canadian Federal Income Tax Considerations

A summary of certain Canadian federal income tax considerations for Secured Debentureholders who receive cash and New Secured Debentures on the disposition of their 2019 Debentures pursuant to the Arrangement is set out in the section of this Circular entitled "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*." Noteholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

See "*Certain Canadian Federal Income Tax Considerations*".

Securities Law Matters

The issuance of the New Secured Debentures will be exempt from the prospectus and registration requirements under Canadian securities legislation. As a consequence of these exemptions, certain protections, rights and remedies provided by Canadian securities legislation, including statutory rights of recession or damages, will not be available in respect of the New Secured Debentures to be issued pursuant to the Arrangement.

Under applicable provincial securities laws, the New Secured Debentures may be resold in Canada without hold period restrictions, provided the sale is not a "control distribution" as defined by applicable securities laws, no unusual effort is made to prepare the market or create demand for the securities, no extraordinary commission or consideration is paid in respect of the sale and, if the selling holder of New Secured Debentures is an insider or officer of the Company, such selling holder has no reasonable grounds to believe that the Company is in default of securities legislation. Secured Debentureholders are advised to seek legal advice prior to any resale of the New Secured Debentures.

Since certain "related parties" of the Company hold 2019 Debentures and, under the Arrangement, will be issued New Secured Debentures, the Arrangement will be considered a "related party transaction" within the meaning of MI 61-101. The Company is relying on section 5.5(b) of MI 61-101 (Issuer Not Listed on Specified Markets) from the requirement to obtain a formal valuation as the Company's Common Shares are listed for trading on the CSE. The Company is relying on the financial hardship exemption from the requirement to obtain minority approval, pursuant to section 5.7(e) of MI 61-101 based on the following: (i) the Company is in serious financial difficulty; (ii) the Arrangement is designed to improve the financial position of the Company; (iii) the Company has one or more independent directors (as defined in MI 61-101) in respect of the Arrangement; (iv) paragraph (f) of section 5.5 of MI 61-101 is not applicable; (v) the Board and at least two thirds of such independent directors, acting in good faith, have determined that items (i) and (ii) above apply and that the terms of the Arrangement are reasonable in the circumstances of the Company and (vi) there is no other requirement, corporate or otherwise, to hold a meeting to obtain any approval of the holders of any class of affected securities.

See "*Canadian Securities Law Matters – MI 61-101*".

The New Secured Debentures, the Units issuable upon conversion of the New Secured Debentures, the Unit Shares and Warrants comprising the Units, and the Warrant Shares issuable upon exercise of the New Secured Debentures

have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. The New Secured Debentures will be issued in partial exchange for the 2019 Debentures in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof on the basis of the approval of the Court as described under "*The Arrangement - Required Approvals - Court Approval of the Arrangement*".

The New Secured Debentures issuable to Secured Debentureholders will be freely transferable under U.S. federal securities Laws, except by persons: (i) who are, or at any time within 90 days preceding a proposed resale of the New Secured Debentures were, "affiliates" (as such term is understood under U.S. securities Laws) of Icanic; or (ii) were "affiliates" of Icanic within 90 days prior to the Effective Time. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such New Secured Debentures by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom.

The exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act will not be available to facilitate conversion of the New Secured Debentures or the exercise of any resulting Warrants. The Unit Shares and Warrants will be issued upon such conversion in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(9) thereof, inasmuch Icanic does not contemplate paying a commission or other remuneration directly or indirectly for soliciting any conversions. Generally, the Unit Shares and Warrants will be freely transferable under U.S. federal securities Laws, except by persons who are, or at any time within 90 days preceding a proposed resale of the New Secured Debentures were, "affiliates" of Icanic.

The Warrants will not be exercisable by, or for the account or benefit of, any U.S. person or any person within the United States absent an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Any Warrant Shares issued in reliance on available exemptions from such registration to, or for the account or benefit of, any U.S. person or any person within the United States, will be "restricted securities" as defined in Rule 144 under the U.S. Securities Act.

See "*Canadian Securities Law Matters*" and "*U.S. Securities Law Matters*".

Risk Factors

Secured Debentureholders should carefully consider the risk factors in evaluating whether to approve the Arrangement.

The risks relating to the Arrangement include, among other things: (i) the Recapitalization Transaction may be implemented pursuant to the CCAA Proceedings; (ii) the conditions precedent to the Arrangement, including Court approval, may not be satisfied or waived; (iii) there can be no assurance as to the effect of the announcement of the Recapitalization Transaction on Icanic's relationships with its suppliers, customers or stakeholders; (iv) the Recapitalization Transaction may not improve the financial condition of Icanic's business; (v) parties may make claims against the Icanic Parties despite the releases and waivers provided for in the Plan of Arrangement; (vi) stakeholders might have difficulty enforcing civil liabilities against the Company in the United States; (vii) the pending Arrangement may divert the attention of the Company's management; (viii) the Company will incur significant transaction-related costs in connection with the Arrangement, and the company may have to pay various expenses even if the Arrangement is not completed; (ix) the Arrangement may not have the effect of increasing the Company's financial liquidity expected or required to implement its business plan and continue as a going concern; (x) the Company may not be able to repay the principal amount and interest owing on the New Secured Debentures in cash on the New Maturity Date; and (xi) certain tax attributes of the Company may be reduced, including non-capital losses, net capital losses, cumulative eligible capital, undepreciated capital cost of depreciable property, the adjusted cost base of certain capital property and current year capital losses in excess of current year capital gains.

In the event the Arrangement is not approved: (i) the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects; and (ii) the Company will be required to

implement the Recapitalization Transaction pursuant to the CCAA Plan (as defined below), through a CCAA Proceeding (as defined below).

The risks relating to the business of Icanic include, among other things: (i) the Company is not currently profitable and it may not become profitable again; (ii) marijuana is illegal under U.S. federal law; (iii) marijuana is strictly regulated in those states which have legalized it for medical or recreational use; (iv) the Company business activities will rely on new established and/or developing laws and regulations in the states in which it operates; (v) the Company may have limited or no access to banking or other financial services in the United States; (vi) the Company's existing operations in the United States, and any future operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United States; (vii) foreign investors in Icanic and its directors, officers, and employees may be subject to entry bans into the United States; (viii) the development of the Company's business and operating results may be hindered by applicable restrictions on development, sales and marketing activities imposed by the government regulatory bodies; (ix) the unfavorable tax treatment of cannabis businesses; (x) the risk of civil asset forfeiture; (xi) the Company is subject to a variety of laws and regulations domestically and in the United States relating to money laundering, financial recordkeeping, and proceeds of crime; (xii) the limited intellectual property protection; (xiii) the lack of access to U.S. bankruptcy protections; (xiii) the potential that the Company will face intense competition from other companies; (xiv) the potential of FDA regulation; (xv) the Company may face difficulties enforcing its contracts in U.S. federal and certain state courts; (xvi) the Company's limited operating history; (xvii) the Company's inadequate cash balance and working capital position; (xviii) the Company may be subject to product recalls; (xix) the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury; and (xx) the Company may be affected by possible political and economic instability.

See "*Risk Factors*".

Procedures for the Surrender of Debentures and Receipt of New Secured Debentures

The 2019 Debentures have been issued in physical certificate and DRS form. If the Arrangement Resolution is passed, the New Secured Debentures to which holders of 2019 Debentures are entitled pursuant to the Arrangement will be delivered, in physical certificate or DRS form, to Secured Debentureholders by the Trustee and Collateral Agent. The Trustee and Collateral Agent will also pay to each Secured Debentureholder its Pro Rata Share of the Cash Distribution Pool**. Holders of physical certificates of 2019 Debentures must surrender their physical certificates to the Trustee and Collateral Agent at 1230 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4 in order to receive their Pro Rata Share of the Cash Distribution Pool and their Pro Rata Share of the New Secured Debentures.** Holders of 2019 Debentures in DRS form do not need to take any action and will automatically receive their Pro Rata Share of the Cash Distribution Pool and their Pro Rata Share of the New Secured Debentures from the Trustee and Collateral Agent.

See "*Procedures for the Surrender of Debentures and Receipt of Common Shares*".

CERTAIN INFORMATION CONCERNING THE COMPANY

General

Icanic was incorporated pursuant to the BCBCA on September 15, 2011.

The head office of Icanic is located at Suite 1500, 1055 West Georgia Street Vancouver, BC V6E 4N7.

The registered and records office of the Company is Suite 810, 789 West Pender Street, Vancouver, BC V6C 1H2.

Overview of Icanic Brands Company Inc.'s Business

The Company is a cannabis branded products manufacturer based in Northern California.

Ganja Gold

Ganja Gold is the industry leader in providing top grade cannabis products that are crafted for those who seek a topshelf experience. Ganja Gold's entire line uses the absolute best materials and each item is personally inspected, smelled, and sampled, while also meticulously tested by one of the top regarded labs in the world.

X-SPRAYS™

The Company's X-SPRAYS product line consists of eight market ready orally ingested spray products that are highly effective for overall health and well-being as well as general lifestyle. Four products are available infused with hempbased cannabidiol (CBD) and four products are formulated without a cannabidiol (CBD) infusion. The state-of-the-art formulations are free from artificial flavours, artificial colours, sugar, starch, wheat, soy, gluten, eggs, salt and dairy. The sprays contain natural fruit and/or herbal flavours and are suitable for vegetarians and vegans. The products are highly bioavailable such that the active ingredients in the sprays are already fully dissolved, so the vitamins and minerals do not need to be further broken down once swallowed but are immediately available for use by the body. The XSPRAYS product line is packaged in precise, metered dose and convenient spray tubes including a child-resistant version, both of which easily fit into a purse or pocket and are ideal for travel. The container protects the liquid from light and air, ensuring the quality and shelf life of the ingredients.

Leef

On April 21, 2022, Icanic acquired all of the outstanding shares of LEEF (the "**Acquisition**"). LEEF is one of the largest cannabis extraction companies in the state of California and is a leading provider of bulk concentrates to many of the largest brands in the state. It is led by an expert group of legacy operators with decades of experience in organic soil-based farming and sophisticated extraction practices. LEEF's manufacturing capabilities include a 12,000 square foot extraction and manufacturing facility with significant throughput and distillate extraction capability. Headquartered in Willits, California, LEEF's core manufacturing competencies include ethanol extraction (Type 6 manufacturing license), hydrocarbon extraction (Type 7 manufacturing license), and solventless extraction. LEEF has also recently received a 186.7 acre cultivation land use permit, which will make it the owner of one of the largest cannabis cultivation sites in California. The site sits on over 1,900 acres of prime California real estate. Since inception, LEEF has experienced significant year over year growth with strong and consistent gross margins and positive cash flow. From 2019 to the end of 2021, LEEF experienced revenue growth exceeding 100%. With the build out of the cultivation site, LEEF will be able to provide consistency, quality and quantity to its customers and its' margins are expected to improve as it gains vertical efficiencies with its in-house supply chain

Description of Share Capital

Icanic is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of preferred shares issuable in series. No preferred shares are issued as of January 31, 2022. As of May 12, 2022 Icanic had 1,019,258,205 Common Shares issued and outstanding and as at June 6, 2022, the Company had 14,253 2019 Debentures outstanding in the principal amount of US$14,252,562 million.

Pursuant to the 2019 Debenture Indenture, Secured Debentureholders are entitled to receive notice of a meeting of Secured Debentureholders. Each Secured Debentureholder shall be entitled to one vote in respect of each US$1,000 principal amount of 2019 Debentures of which he, she or it shall then be a holder.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the Company's Stock Option Plan information as at the end of the Company's financial year ended July 31, 2021:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Stock Options	Weighted-average exercise price of outstanding Stock Options	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding Common Shares reflected in the first column)
Equity compensation plans approved by Shareholders (Stock Option Plan)	9,889,440	$0.36	13,934,195
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	9,889,400		13,934,195

Auditors

Macias Gini & O'Connell, Certified Public Accountants, are the auditors of Icanic and were appointed as the auditors of the Company on August 6, 2021.

THE ARRANGEMENT

The following is only a summary of the Arrangement. This summary is qualified in its entirety by the full text of the Plan of Arrangement. For complete details, reference should be made to the Plan of Arrangement, which is attached as Appendix "E" to this Circular.

Background to the Arrangement

On April 21, 2022, Icanic completed the Acquisition. In connection with the Acquisition, Icanic assumed the 2019 Debentures pursuant to the First Supplemental Debenture Indenture. On the Maturity Date Icanic was required to repay the outstanding principal on the 2019 Debentures in the amount of US$14,252,562. Icanic did not have sufficient liquidity to make the payment of principal due under the 2019 Debenture Indenture on the Maturity Date.

Following closing of the Acquisition, the Company undertook a strategic review to consider options with respect to the repayment, refinance or re-organization of the 2019 Debentures, which were coming to term immediately. The Board, in consultation with its financial advisors and legal counsel, determined that a restructuring of the 2019 Debentures would be in the best interests of the Company and the Secured Debentureholders, having regard to the option existing and available to the Company.

Accordingly, the Company engaged in discussions with certain Secured Debentureholders and subsequently entered into the Restructuring Support Agreement with the Consenting Debentureholders, pursuant to which the Consenting Debentureholders agreed to support the implementation of the Recapitalization Transaction through a plan of arrangement, or, in the alternative, pursuant to a CCAA Plan by way of a CCAA Proceeding.

Icanic did not have the ability to repay the 2019 Debentures in cash on the Maturity Date for the following reasons, among others: the Company was not generating excess operating cash flow to repay the 2019 Debentures in cash, the decline in the overall public equity markets, the extraordinary market conditions brought on by the pandemic, the delay in closing the Acquisition; and the Company was not able to access the debt or equity capital markets successfully with its current financial position. All other discussions with respect to alternative potential business transactions involving the Company have been unsuccessful.

Even if the Arrangement Resolution is approved, there remains a risk that Icanic's cash flow may be insufficient to meet the required payment of the outstanding principal and interest on the New Secured Debentures on the New Maturity Date.

See "*Risk Factors*".

The Board and Management believe that the Arrangement will enable Icanic to reduce its outstanding indebtedness and its annual interest costs, improve the Company's overall capital structure, and provide a stable financial foundation for the Company to capitalize on business opportunities.

Reasons for the Arrangement

The purpose of the Arrangement is to, among other things, approve the Plan of Arrangement to effect the Recapitalization Transaction.

The Plan of Arrangement is expected to provide a number of benefits to Icanic, including the following:

(a) reduce Icanic's pro forma debt from an estimate of US$14.5 million to approximately US$10.9 million;

(b) reduce Icanic's potential annual cash interest expense by approximately US$110,000;

(c) normalize Icanic's capital structure to be competitive with industry peers in the current challenging equity market environment;

(d) improve Icanic's financial strength and reduce financial risk;

(e) improve Icanics's sustainability;

(f) provide increased certainty to the capital markets with respect to Icanic's capital structure; and

(g) encourage investor interest in the Company.

The Board (other than Micah Anderson who noted his disclosable interest and abstained from voting) in determining unanimously that the Arrangement is fair to Secured Debentureholders and in the best interests of the Company, and recommending to Secured Debentureholders that they approve the Arrangement, considered and relied upon a number of factors, including, among others, the following:

(a) the significant liquidity and capital constraints faced by Icanic due to its outstanding indebtedness and limited operating cash flow;

(b) the Board's assessment of the current and future state of the credit, debt and equity markets and the likelihood that they could be accessed in the future to provide the Company with the full amount of funding it requires to finance its business and operations, exploit its asset base and satisfy its current debt obligations, including the risk that such funding may not be obtained in a reasonable time or in full or on terms satisfactory to the Company;

(c) the Board's assessment of market conditions, and anticipated related impacts on bank lending, asset disposition opportunities or other strategic alternatives;

(d) the financial risks associated with the Company continuing as a going concern without the Arrangement being approved;

(e) efforts to solicit alternative proposals from potential counterparties did not result in any credible proposal that would provide superior value to the Secured Debentureholders compared to that provided for under the Arrangement;

(f) Secured Debentureholders will have an opportunity to vote on the Arrangement Resolution;

(g) the alternative to the Arrangement is the implementation of the Recapitalization Transaction by way of a CCAA Proceeding;

(h) the risks to the Company if the Arrangement is not completed in a timely manner, or at all, including the costs incurred in pursuing the Arrangement, the diversion of Management resources away from the conduct of the Company's business and the resulting uncertainty to the Company's stakeholders and the Board's belief that the Arrangement is likely to be completed in accordance with its terms and within a reasonable period of time;

(i) the likelihood that any potential transaction involving the Company would receive the required approvals under applicable Laws and on terms and conditions satisfactory to the Company and the third parties; and

(j) in connection with the Arrangement, holders of approximately 77.34% of the principal amount of 2019 Debentures, being the Consenting Debentureholders have executed the Restructuring Support Agreement pursuant to which the Consenting Debentureholders have agreed to, among other things, vote their 2019 Debentures in favour of the Arrangement Resolution.

The foregoing discussion of the information and factors considered and given weight by the Board is not intended to be exhaustive. In reaching the determination to approve and recommend the Plan of Arrangement, the Board did not assign any relative or specific weights to the foregoing factors, but individual directors may have given different weights to different factors. The Board (other than Micah Anderson who noted his disclosable interest and abstained from voting) unanimously approved the Arrangement and related matters and was unanimous in their recommendation that the Secured Debentureholders vote ***FOR*** the Arrangement Resolution.

The Consenting Debentureholders have entered into a Restructuring Support Agreement with the Company and its subsidiaries, pursuant to which they have agreed to, among other things and subject to certain conditions, vote their 2019 Debentures ***FOR*** the Arrangement Resolution at the Meeting.

Proposed Timetable for the Arrangement

The anticipated timetable for the completion of the Arrangement and the keydates as proposed are as follows:

Meeting	August 8, 2022
Final Order	August 15, 2022
Effective Date	on or about August 15, 2022

If the Meeting is held as scheduled and is not adjourned or postponed, and the Secured Debentureholders approve the Arrangement Resolution, Icanic anticipates applying to the Court for the Final Order approving the Arrangement on August 15, 2022. If the Final Order is obtained on August 15, 2022, in form and substance satisfactory to Icanic, and all other conditions to the completion of the Arrangement are satisfied or waived, Icanic expects the Effective Date of the Arrangement to occur immediately on or about August 16, 2022. Notice of the actual Effective Date will be given to Secured Debentureholders by way of a press release prior to the Effective Date when all conditions to the Arrangement have been met and the Board is of the view that all elements of the Arrangement will be completed.

The foregoing dates may be amended at the discretion of Icanic, subject to the terms of the Restructuring Support Agreement.

Description of the Arrangement

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order, in an uninterrupted sequence, in five minute increments (unless otherwise indicated) and at the times set out in Section 4.3 of the Plan of Arrangement (or in such other manner or order or at such other time or times as the Petitioner and the Requisite Consenting Parties may agree, each acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided for in the Plan of Arrangement:

(a) The outstanding principal amount of each Secured Debentureholder's 2019 Debentures, plus all accrued and unpaid interest on such principal amount, shall be forgiven, settled and extinguished;

(b) Concurrently:

(i) The Secured Debentureholder shall become "New Secured Debentureholders"

(ii) Icanic, the New Secured Debentureholders, the Indenture Trustee and Collateral Agent shall have been deemed to have entered into the New Debenture Indenture and all related documentation;

(iii) Icanic shall deliver or pay, as the case may be, to each New Secured Debentureholder:

(A) its New Secured Debentures in an aggregate principal amount equal to such New Secured Debentureholders Pro Rata Share of the New Secured Debentures Principal Amount, which New Secured Debentures shall be distributed in the manner described in section 3.1 of the Plan of Arrangement; and

(B) a cash amount equal to its Pro Rata Share of the of the Cash Distribution Pool, which amount shall be paid in the manner described in Section 3.2 of the Plan of Arrangement.

(c) Concurrently with the delivery of the New Secured Debentures to be issued to the New Secured Debentureholders:

(i) the Secured Debentureholder Claims shall, and shall be deemed to be, irrevocably and finally extinguished and such Secured Debentureholder shall have no further right, title or interest in and to the 2019 Debentures or its Secured Debentureholder Claim; and

(ii) the 2019 Debentures and the 2019 Debenture Documents shall be cancelled, provided that the 2019 Debenture Documents shall remain in effect solely to allow the applicable persons, as necessary, to make the distributions set forth in the Plan of Arrangement; and

(d) The releases referred to in Section 5.1 of the Plan of Arrangement shall become effective. See *"Description of the Arrangement – Releases and Waivers*."

Releases and Waivers

At the applicable time pursuant to Section 4.3 of the Plan of Arrangement, each of the Released Parties shall be released and discharged from all present and future actions, causes of action, damages, judgments, executions, obligations, liabilities and Claims of any kind or nature whatsoever (other than liabilities or claims attributable to such Released Party's gross negligence, fraud or wilful misconduct as determined by the final judgment of a court of competent jurisdiction following the exhaustion of all rights of appeal), which any Person now has, or may have against any of the Released Parties, arising on or prior to the Effective Date in connection with the 2019 Debentures, the 2019 Debenture Documents, the Secured Debentureholder Claims, the Restructuring Support Agreement, the Plan

of Arrangement, the Arrangement Proceedings, the transactions contemplated under the Plan of Arrangement and any proceedings commenced with respect to or in connection with the Plan of Arrangement; provided that, nothing in paragraph 5.1 of the Plan of Arrangement shall release or discharge any of the Released Parties from or in respect of their obligations under the Plan of Arrangement, the Restructuring Support Agreement, the New Debenture Indenture and the New Secured Debentures.

The full text of the Arrangement Resolution is attached as Appendix "A" to this Circular and the full text of the Plan of Arrangement is attached as Appendix "E" to this Circular.

Effect of the Arrangement on Secured Debentureholders

If the Arrangement is approved, all of the 2019 Debentures will be terminated. As consideration therefor, each Secured Debentureholder will receive: (i) a cash amount equal to its Pro Rata Share of the of the Cash Distribution Pool, which amount shall be paid in the manner described in Section 3.2 of the Plan of Arrangement; and (ii) its New Secured Debentures in an aggregate principal amount equal to such New Secured Debentureholders Pro Rata Share of the New Secured Debentures Principal Amount, which New Secured Debentures shall be distributed in the manner described in section 3.1 of the Plan of Arrangement.

Terms of the New Secured Debentures

The New Secured Debentures will be issued pursuant to the New Debenture Indenture, to be entered into on the Effective Date. Pursuant to the Arrangement, the New Secured Debentures will be the Company's secured obligations and will be guaranteed by the General Security Agreement against all of the property of the Company and its subsidiaries, to be entered into on the Effective Date. Accordingly, the New Secured Debentures will rank: (i) equal in right of payment to all of the Company's existing and future secured indebtedness, subject to Permitted Liens (as defined in the New Debenture Indenture) as set forth under the New Debenture Indenture; and (ii) senior in right of payment with all of the Company's existing and future unsecured indebtedness.

The following is a summary of the terms of the New Secured Debentures:

	New Secured Debentures
Securities:	Up to US$16,500,000 principal amount of New Secured Debentures.
Maturity Date:	24 months from the Effective Date.
Interest Rate:	11.0% per annum (based on a year of 360 days composed of twelve 30-day months), payable at the Maturity Date. Interest payments will be satisfied by the Company in cash at the Maturity Date.
Ranking:	The New Secured Debentures will be the Company's secured obligations and will be guaranteed by the General Security Agreement against all of the property of the Company and its subsidiaries. Accordingly, the New Secured Debentures will rank equal in right of payment to all of the Company's existing and future secured indebtedness, subject to Permitted Liens as set forth under the New Debenture Indenture and senior in right of payment with all of the Company's existing and future unsecured indebtedness.
Conversion Price:	$0.10 per Unit.

	New Secured Debentures
Conversion:	At the option of the New Secured Debentureholder at any time after the Effective Time and prior to the close of business on the earliest of: (i) the third business day immediately preceding the New Maturity Date; or (ii) if subject to a redemption pursuant to a Change of Control (as defined in the New Debenture Indenture), on the Business Day immediately preceding the payment date, subject to the satisfaction of certain conditions as set out in the New Debenture Indenture. Upon conversion, the interest accrued to and including the date of conversion will be payable to the holder thereof in cash. The conversion price shall be subject to customary anti-dilution adjustments in the event of stock consolidations, stock splits, stock dividends and other such events.
Redemption:	Not redeemable at any time on or before the Maturity Date (except in the limited circumstances following a Change of Control (as defined in the New Debenture Indenture).
Events of Default:	Customary events of default as set out in the New Debenture Indenture.

The full text of the form of the New Debenture Indenture is attached as Appendix "D".

Terms of the Warrants

The Warrants will be governed by the Warrant Indenture to be entered into on the Effective Date. The following is a summary of the terms of the Warrant Indenture:

Each Warrant will be transferable and will entitle the holder thereof to acquire one Warrant Share at an exercise price of $0.15 for a period of 24 months following the date of issuance of such Warrants, subject to adjustment in certain customary events, after which time the Warrants will expire.

The Warrants will be issued under and governed by the Warrant Indenture to be entered into on the Effective Date between the Company and Odyssey, as Warrant agent. The Company will designate the transfer office of Odyssey in Vancouver, British Columbia or such other place as may be designated in accordance with the Warrant Indenture, as the location at which the Warrants may be surrendered for exercise, transfer or exchange. Under the Warrant Indenture, the Company may, subject to applicable law, purchase by private contract or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

Adjustment

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a dividend paid in the ordinary course or a distribution of Common Shares upon the exercise of any warrants or options outstanding as of the date of the Warrant Indenture);

(b) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;

(d) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, of Common Shares on such record date; and

(e) the issuance or distribution to all or substantially all of the holders of Common Shares of securities, including rights, options or warrants to acquire shares of any class or securities exchangeable for or convertible into any such shares or property or assets, including evidences of indebtedness.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities or other property issuable upon the exercise of the Warrants and/or the exercise price per security upon the occurrence of the following additional events:

(a) the reclassification of the Common Shares or a capital reorganization of the Company (other than as described above);

(b) consolidations, amalgamations, arrangements or mergers of the Company with or into any other corporation or other entity; or

(c) the sale, conveyance or transfer of the assets of the Company as an entirety or substantially as an entirety to another corporation or entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least one percent (1%) in the exercise price.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Company will give notice to Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment will be made in lieu thereof. Warrant holders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

Amendment

The Warrant Indenture will provide that, from time to time, the Company and Odyssey may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including curing defects or inconsistencies that do not prejudice the rights of any holder. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the holders of Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing of at least 25% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to the lack of quorum); and (ii) passed by the affirmative vote of not less than $66^{2/3}$% of the aggregate number of all the then outstanding Warrants.

The Warrants and the Warrant Shares issuable upon exercise of the New Secured Debentures have not and will not be registered under the U.S. Securities Act or any U.S. state securities laws.

See "*U.S. Securities Law Matters – Conversion of New Secured Debentures and Exercise of Any Resulting Warrants"*.

The full text of the form of Warrant Indenture is attached as Appendix "G".

See "*The Arrangement – Required Approvals*" and "*The Arrangement - Conditions to the Implementation of the Plan of Arrangement"*.

Required Approvals

Secured Debentureholder Approval of the Arrangement

For the Arrangement to be effective, the Arrangement Resolution must be passed, with or without variation, by the affirmative vote of a majority in number of Secured Debentureholders that hold at least 3/4 of the principal amount of the 2019 Debentures outstanding, present in person or represented by proxy and voted at the Meeting. The holders of the 2019 Debentures will receive one vote for each US$1,000 principal amount held.

The quorum for the Meeting has been set in the Interim Order. The quorum required at the Meeting will be the presence in person or by proxy of at least two persons who are, or who represent by proxy, Secured Debentureholders who, in the aggregate, constitute at least 5% of the total principal amount of the 2019 Debentures entitled to vote at the Meeting.

A copy of the Arrangement Resolution is attached as Appendix "A" to this Circular.

The Board (other than Micah Anderson who noted his disclosable interest and abstained from voting) has unanimously approved the Arrangement and recommends that Secured Debentureholders vote *FOR* the Arrangement Resolution. The persons named in the enclosed form of proxy intend to vote for such approval at the Meeting unless otherwise directed by the Secured Debentureholders appointing them.

Should the Secured Debentureholders fail to approve the Arrangement Resolution by the requisite majority, the Arrangement will not be completed, and the Recapitalization Transaction will be implemented pursuant to the CCAA Plan by way of a CCAA Proceeding, pursuant to the Company's obligations under the Restructuring Support Agreement.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Secured Debentureholders, subject to the terms of the Plan of Arrangement and the Restructuring Support Agreement, to amend the Plan of Arrangement or to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA. At the present time, the Board does not anticipate that this discretion will be exercised, and intends to complete the Arrangement.

See also "*General Proxy and Debentureholder Meeting Matters – Procedure, Quorum and Votes Required*".

Court Approval of the Arrangement

The Arrangement requires approval by the Court under Part 9: Division 5 of the BCBCA. On July 8, 2022, Icanic obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. Copies of the Notice of Hearing of Petition for the Final Order to approve the Arrangement and Interim Order are attached as Appendices "B" and "C", respectively, to this Circular.

Subject to the approval of the Arrangement Resolution at the Meeting, and certain other conditions, the Company intends to make an application to the Court for to obtain the Final Order on or about August 15, 2022, or such other date as the Court will advise.

At the hearing in respect of the Final Order and subject to any further order of the Court, any Secured Debentureholder, or other interested party, desiring to appear and make submissions at the application for the Final Order may do so,

subject to filing with the Court and serving upon the solicitors for Icanic, on or before the date that is five Business Days prior to the date of the hearing for the Final Order, a Response to Petition, including such party's address for service in the Province of British Columbia, and indicating whether such Secured Debentureholder, or other interested party intends to support or oppose the application or make submissions, together with a summary of the position such party intends to advocate before the Court and any evidence or materials which such party intends to present to the Court and satisfying any other requirements of the Court as provided in the Interim Order or otherwise. At the hearing for the Final Order, the Court will consider, among other things, the procedural and substantive fairness and reasonableness of the Arrangement and the approval of the Arrangement Resolution at the Meeting.

The Court has broad discretion under the BCBCA when making orders in respect of arrangements and the Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Conditions to the Implementation of the Plan of Arrangement

The implementation of the Plan of Arrangement shall be conditional upon the fulfillment, satisfaction or waiver of the following conditions precedent, in each case in accordance with the terms thereof, and the Petitioner shall deliver a Closing Certificate evidencing same:

(a) The Court shall have granted the Final Order, the operation and effect of which shall not have been stayed, reversed or amended, and in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;

(b) No Law shall have been passed and become effective, the effect of which makes the consummation of this Plan of Arrangement illegal or otherwise prohibited;

(c) All conditions to implementation of the Plan of Arrangement set out in the Restructuring Support Agreement shall have been satisfied or waived in accordance with their terms and the Support Agreement shall not have been terminated; and

(d) Icanic shall remain a public company following the implementation of the Plan of Arrangement and the Common Shares shall be approved for trading on the CSE, or on another stock exchange acceptable to the New Secured Debentureholders, subject only to receipt of customary final documentation.

Amendment and Termination of the Plan of Arrangement Prior to the Effective Date

Subject to the terms and conditions of the Restructuring Support Agreement:

(a) Icanic reserves the right to amend, restate, modify and/or supplement the Plan of Arrangement at any time and from time to time, provided that any such amendment, restatement, modification or supplement must be contained in a written document that is (i) filed with the Court and, if made following the Meeting, approved by the Court; (ii) agreed to by each of the Requisite Consenting Parties, and (iii) communicated to the Secured Debentureholders in the manner required by the Court (if so required);

(b) any amendment, modification or supplement to this Plan of Arrangement may be proposed by Icanic, with the consent of each of the Requisite Consenting Parties, at any time prior to or at the Meeting, with or without any prior notice or communication (other than as may be required under the Interim Order), and if so proposed and accepted at the Meetings, shall become part of this Plan of Arrangement for all purposes;

(c) made after the Meeting but before the date of the hearing for the Final Order if: (i) approved by the Court at the hearing for the Final Order; and (ii) communicated to the Secured Debentureholders if and as required by the Court;

(d) any amendment, modification or supplement to the Plan of Arrangement may be made following the Meeting by Icanic, with the consent of each of the Requisite Consenting Parties, and without requiring filing with, or approval of, the Court, provided that it concerns a matter which is of an administrative nature and is required to better give effect to the implementation of the Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the Secured Debentureholders.

Assuming the Secured Debentureholders and the Court approve the Arrangement, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Secured Debentureholders, subject to the terms of the Plan of Arrangement and the Restructuring Support Agreement, to amend the Plan of Arrangement or to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA. At the present time, the Board does not anticipate that this discretion will be exercised, and intends to complete the Arrangement.

Failure to Complete the Arrangement

Failure to complete the Arrangement could have a Material negative effect on the market price of the Common Shares and the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects.

Additionally, should Secured Debentureholders fail to approve the Arrangement Resolution by the requisite majority, the Recapitalization Transaction will be implemented pursuant to the CCAA Plan by way of a CCAA Proceeding, pursuant to the Company's obligations under the Restructuring Support Agreement.

See "*Restructuring Support Agreement – Alternative Implementation Process*" for more information.

Interests of Directors and Officers in the Arrangement

As discussed in this Circular, the directors and officers of Icanic may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of the Secured Debentureholders. The Board was aware of these interests and considered them, among other matters, when recommending approval of the Arrangement.

Debentures

As at June 6, 2022, the directors and officers of Icanic and their associates and affiliates beneficially owned, controlled, or directed, directly or indirectly, an aggregate of US$200,000 principal amount of the 2019 Debentures, representing 1.4% of the principal amount of the 2019 Debentures. All of the 2019 Debentures held by such directors and officers of Icanic and their associates and affiliates will be treated in the same fashion under the Arrangement as 2019 Debentures held by any other Secured Debentureholder.

RECOMMENDATIONS OF THE BOARD CONCERNING THE ARRANGEMENT

The Board (other than Micah Anderson who noted his disclosable interest and abstained from voting), after consulting with its legal and other advisors and after careful consideration has unanimously concluded that the Plan of Arrangement is fair to Secured Debentureholders and in the best interests of the Company and, as such, has authorized submission of the Arrangement Resolution to Secured Debentureholders for approval and the submission of the Plan of Arrangement to the Court for approval. In coming to its conclusion and recommendations, the Board considered, among others, the following factors:

(a) the purpose and benefits of the Plan of Arrangement as outlined herein;

(b) information concerning the financial condition of the Company and possible outcomes under: (i) a default pursuant to the terms of the Debenture Indenture; (ii) CCAA Proceedings; and (iii) a shut-down of operations; and

(c) holders of approximately 77.34% of the principal amount of 2019 Debentures, being the Consenting Debentureholders have executed the Restructuring Support Agreement pursuant to which the Consenting Debentureholders have agreed to, among other things, vote their 2019 Debentures in favour of the Arrangement Resolution.

THE BOARD (OTHER THAN MICAH ANDERSON WHO NOTED HIS DISCLOSABLE INTEREST AND ABSTAINED FROM VOTING) UNANIMOUSLY RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE *FOR* THE ARRANGEMENT RESOLUTION.

See "*The Arrangement - Background to the Arrangement*" and "*The Arrangement - Reasons for the Arrangement*".

RESTRUCTURING SUPPORT AGREEMENT

Secured Debentureholders, who hold approximately 77.34% of the outstanding 2019 Debentures, have entered into the Restructuring Support Agreement with the Icanic Parties, in which they have agreed to support the Recapitalization Transaction and will vote their 2019 Debentures in favour of the Arrangement Resolution.

The following is a summary of the principal terms of the Restructuring Support Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Restructuring Support Agreement, a copy of which is available under Icanic's SEDAR profile at www.sedar.com.

Covenants

Pursuant to the Restructuring Support Agreement, the Consenting Debentureholders have agreed, subject to the terms and conditions of the Restructuring Support Agreement, among other things:

(a) to consent to and support the Recapitalization Transaction and the implementation of same pursuant to the Plan of Arrangement in accordance with the terms set out in the Term Sheet;

(b) subject to certain exceptions, not to directly or indirectly sell or transfer any of their 2019 Debentures;

(c) except as contemplated by the Restructuring Support Agreement, not to deposit any of their 2019 Debentures into a voting trust, or grant (or permit to be granted) any proxies or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement with respect any of their 2019 Debentures that would in any manner restrict their ability to comply with the Restructuring Support Agreement;

(d) to act in good faith and take all commercially reasonable actions that are reasonably necessary or appropriate to promptly consummate the Recapitalization Transaction in accordance with the Term Sheet and use its reasonable best efforts to support the Recapitalization Transaction, including, without limitation, assisting with applicable regulatory approvals and license transfers;

(e) not to take any action that is inconsistent, in any material respect, with its obligations under the Restructuring Support Agreement or that would frustrate, hinder or delay the consummation of the Recapitalization Transaction and the Plan of Arrangement, provided that nothing in the Restructuring Support Agreement shall restrict, limit, prohibit, or preclude, in any manner not inconsistent with its obligations under the Support Agreement, any of the Consenting Debentureholders from, (i) enforcing any rights under the Restructuring Support Agreement, including any consent or approval rights; or (ii) contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, the Support Agreement, or exercising any rights or remedies reserved therein;

(f) to vote (or cause to be voted) all of their 2019 Debentures in favour of the Recapitalization Transaction and the Plan of Arrangement in accordance with the terms of the Restructuring Support

Agreement and the Term Sheet and against any other matter or transaction that could reasonably be expected to delay, challenge, frustrate or hinder the consummation of the Recapitalization Transaction or the Plan of Arrangement and to tender its proxy for such vote in compliance with any deadlines set forth in the Interim Order;

(g) not to withdraw, amend, or revoke, its tender, consent, or vote with respect to the Plan of Arrangement; provided, however, that such vote may be revoked by such Consenting Debentureholder at any time if the Restructuring Support Agreement is terminated with respect to such person;

(h) not to propose, file, solicit, vote for or otherwise support any alternative offer, restructuring, liquidation, workout or plan of compromise or arrangement or reorganization of or for Icanic that is inconsistent with the Recapitalization Transaction and the Plan of Arrangement, except with the prior written consent of the Company;

(i) to support all motions filed by Icanic in the Arrangement Proceedings that are consistent with and in furtherance of the Recapitalization Transaction and the Plan of Arrangement, and if requested by Icanic, provide commercially reasonable assistance to Icanic in obtaining any required regulatory approvals and/or required material third party approvals to effect the Recapitalization Transaction, in each case at the expense of Icanic;

(j) not to take any other action that is materially inconsistent with its obligations under the Restructuring Support Agreement and the Term Sheet;

(k) forbear from further exercising any rights or remedies in connection with any events of default that now exist or may in the future arise under any 2019 Debenture Documents and to take such steps as are necessary to stop any current or pending enforcement efforts related thereto; and

(l) Delete section 4.09 of the 2019 Debenture Indenture, as amended by the First Supplemental Debenture Indenture, and replace it with the following:

> Section 4.09 *Stay, Extension and Usury Laws.* The Company covenants (to the extent that it may lawfully do so) that it shall not, without the consent (evidenced as provided in Article 8) of Holders of at least a majority of the aggregate principal amount of the Debentures then outstanding (determined in accordance with Article 8 and including, without limitation, consents obtained in connection with a repurchase of, or tender or exchange offer for, Debentures), at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on the Debentures as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Indenture; and the Company (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

The Icanic Parties have agreed, subject to the terms of the Restructuring Support Agreement, among other things:

(a) to the Recapitalization Transaction Terms;

(b) to pursue completion of the Recapitalization Transaction in good faith by way of the Plan of Arrangement and not to take any action that is inconsistent with the terms of the Restructuring Support Agreement or that it would be prohibited from doing directly or indirectly under the

Restructuring Support Agreement;

(c) to file the Plan of Arrangement on a timely basis consistent with the terms and conditions of the Support Agreement, to recommend to any person entitled to vote on the Plan of Arrangement that they vote to approve the Plan of Arrangement and to take all reasonable actions necessary to obtain any regulatory approvals for the Recapitalization Transaction and to achieve the following timeline:

(i) file the application in the Arrangement Proceedings seeking the Interim Order by no later than June 30, 2022;

(ii) obtain approval of the Court for the Interim Order by not later than July 10, 2022;

(iii) commence solicitation procedures with respect to the Plan of Arrangement on or before July 24, 2022;

(iv) hold the Meeting by no later than August 8, 2022;

(v) obtain approval of the Court for the Final Order by no later than August 21, 2022;

(vi) implement the Recapitalization Transaction pursuant to the Plan of Arrangement on or prior to the Outside Date; and

(vii) if applicable, comply with the timelines described in "*Support Agreement - Alternative Implementation Process*" with respect to the CCAA Proceedings;

(d) not to, without the prior written consent of the Consenting Debentureholders, amend, modify, replace, terminate, repudiate, disclaim or waive any rights under or in respect of: (i) its material contracts (other than as expressly required by such material contracts, by the Restructuring Support Agreement or in the ordinary course of performing their obligations under such material contracts) in any manner that would reasonably be expected to be material; or (ii) the Restructuring Support Agreement (except as permitted by the terms thereof);

(e) to promptly notify the Consenting Debentureholders of any claims threatened or brought against it which may impede or delay the consummation of the Recapitalization Transaction or the Plan of Arrangement;

(f) to timely file a formal written response in opposition to or to take all appropriate actions to oppose any objection filed with the Court by any person which objection is inconsistent with the Plan of Arrangement and the Recapitalization Transaction;

(g) to take all appropriate actions to oppose any insolvency or other proceeding brought against Icanic or any of its subsidiaries;

(h) promptly notify the Consenting Debentureholders if, at any time before the Effective Time, it becomes aware that any material application for a regulatory approval or any other material order, registration, consent, filing, ruling, exemption or approval under applicable laws contains a statement which is materially inaccurate or incomplete or of information that otherwise requires an amendment or supplement to such application, and Icanic shall co-operate in the preparation of such amendment or supplement as required;

(i) except with the prior written consent of the Consenting Debentureholders, to operate their business in the ordinary course of business, having regard to Icanic's current financial condition and the COVID-19 pandemic;

(j) to not, except with the prior written consent of the Consenting Debentureholders, enter into any

agreement for any acquisition or divestiture by Icanic or any of its direct or indirect subsidiaries or affiliates of any of its assets or business with a purchase price that exceeds US$250,000;

(k) subject to certain exceptions, not to not to undertake certain actions, except as contemplated by the Restructuring Support Agreement, the Recapitalization Transaction, or without the prior written consent of the Consenting Debentureholders, including among others, incurring any indebtedness or liens, prepaying or redeeming any non-revolving indebtedness, settling any material claims, or entering into any agreement for any acquisition or divestiture by the Company or any of its direct or indirect subsidiaries or affiliates of any of its assets or business;

(l) to promptly notify each of the Consenting Debentureholders upon becoming aware of any new claims threatened in writing or brought against it in excess of US$250,000 in the aggregate;

(m) to promptly notify the Consenting Debentureholders of any event, condition, or development that has resulted in the inaccuracy or breach of any representation or warranty, covenant or agreement contained in the Support Agreement made by or to be complied with by any Icanic Party in any material respect;

(n) to not, except pursuant to the Plan of Arrangement, amalgamate, consolidate with or merge into, transfer or sell all, substantially all, or a material portion of their assets to, another entity, or change the nature of its business or its corporate or capital structure;

(o) to provide, upon reasonable request and with reasonable prior notice, the Consenting Debentureholders, with reasonable access to the books and records of Icanic and its subsidiaries and affiliates (other than books or records that are subject to solicitor- client privilege or other type of privilege, as applicable) for review in connection with the Recapitalization Transaction, in each case in accordance with, and only to the extent permitted or required by, the terms of any confidentiality agreements with Icanic;

(p) to take all steps reasonably in control of the Icanic Parties to be in compliance with all applicable securities Laws in Canada and the United States;

(q) to not, except (i) as permitted by the Restructuring Support Agreement; or (ii) with the prior written consent of the Consenting Debentureholders, commence, consummate an agreement to commence, make, solicit, assist, initiate, encourage, facilitate, propose, file, initiate any discussions or negotiations regarding any alternative offer, restructuring, liquidation, workout or plan of compromise or arrangement, reorganization under the CCAA, BCBCA, other legislation or otherwise; and

(r) to use reasonable best efforts to cause its controlled affiliates, directors, officers, employees, advisors, and any other persons acting under the direction of any of them, and the representatives of any of the foregoing, without the express written knowledge and consent of the Consenting Debentureholders, to not initiate, solicit, encourage or otherwise request inquiries or proposals with respect to, or engage or participate in any negotiations concerning, or provide any confidential or non-public information or data to, any person or entity relating to, or approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, or other agreement related to, any offer, proposal, or inquiry relating to, or any third-party indication of interest in (i) any proposal for an alternative refinancing, recapitalization or other extraordinary transaction other than the Recapitalization Transaction or any purchase, sale ,or other disposition of all or a material portion of Icanic's business or assets, except for the sale of assets in the ordinary course of business; (ii) any issuance, sale, or other disposition of any equity interest (including, without limitation, securities or instruments directly or indirectly convertible or exchangeable into equity but excluding any intercompany transactions necessary or desirable in connection with the Recapitalization Transaction) in Icanic (by Icanic) or any subsidiaries; (iii) any merger, acquisition, consolidation or similar business combination transaction, involving Icanic or any subsidiary (excluding any intercompany transaction necessary or desirable in connection with

the Recapitalization Transaction); or (iv) any other transaction the purpose or effect of which would be reasonably expected to, or which would prevent or render impractical, or otherwise frustrate or impede in any material respect, the Recapitalization Transaction.

Representations and Warranties

In the Restructuring Support Agreement, the Icanic Parties, on the one hand, and the Consenting Debentureholders, on the other hand, make a number of customary representations and warranties to each other regarding themselves, the Restructuring Support Agreement and the Recapitalization Transaction.

Alternative Implementation Process

In the event that either: (i) the Secured Debentureholders do not pass the Arrangement Resolution at the Meeting; or (ii) Icanic and the Secured Debentureholders agree to seek the approval of the Plan of Arrangement by the Court notwithstanding a failure, if any, to obtain Secured Debentureholder approval for the Recapitalization Transaction and the Court does not approve the Plan of Arrangement and enter the Final Order by August 21, 2022, Icanic is required to immediately commence an application in the Court for an initial order under the CCAA and an amended and restated initial order (collectively, the "**Initial CCAA Order**") in accordance with the following terms and timeline (collectively, the "**CCAA Proceedings**"):

(a) the Recapitalization Transaction shall be implemented on substantially the same terms as set forth in the Restructuring Support Agreement, the Term Sheet and the Plan of Arrangement, provided that the holders of the Common Shares shall, after implementation of the Recapitalization Transaction, be entitled to no recovery;

(b) the Initial CCAA Order shall include, among other things: (i) provisions confirming that the votes cast in favour of the Plan of Arrangement in the Arrangement Proceedings shall stand as votes in favour of the CCAA Plan filed in the CCAA Proceeding, which shall be in form reasonably acceptable to the Company and the Consenting Debentureholders to implement a recapitalization and restructuring plan under the CCAA consistent in all respects with the Term Sheet, in which case the Consenting Debentureholders shall support and vote in favour of such CCAA Plan in the same manner and to the same extent they have agreed to support the transactions under a Plan of Arrangement; (ii) a provision staying proceedings against the Icanic Parties; (iii) a provision calling for meetings, if necessary, of the holders of the applicable secured claims to cast votes for the CCAA Plan (the foregoing (ii) and (iii), the "**CCAA Solicitation**");

(c) the CCAA Solicitation shall be completed within no later than 21 Business Days after the commencement of the CCAA Proceedings;

(d) if the statutory requisite thresholds for approval of the CCAA Plan are achieved at the applicable meetings of creditors, Icanic shall file an application for an order for sanction of the CCAA Plan, which order shall be in form reasonably acceptable to Icanic and the Consenting Debentureholders no later than three (3) Business Days from the date such thresholds are achieved;

(e) to the extent that Icanic fails to commence a CCAA Proceeding within five (5) Business Days of the deadlines set forth above, the Consenting Debentureholders shall be entitled to seek the entry of the Initial CCAA Order and Icanic and its subsidiaries or affiliates shall not contest the granting of such relief; and

(f) the implementation of the Recapitalization Transaction pursuant to the CCAA Plan shall occur no later than the Outside Date.

Conditions

The Restructuring Support Agreement provides that the Recapitalization Transaction is subject to the satisfaction or waiver, prior to or at the Effective Time, of a number of conditions for the mutual benefit of Icanic Parties, on the one hand, and Consenting Debentureholders on the other hand, including:

(a) By no later than October 31, 2022:

(i) approval of the Plan of Arrangement by the Court and by the requisite majority of affected creditors of Icanic shall have been obtained;

(ii) the Final Order (i) shall have been entered by the Court; and (ii) shall have become a final order, the implementation, operation or effect of which shall not have been stayed, varied in a manner not acceptable to the Consenting Debentureholders, vacated or subject to pending appeal and as to which order any appeal periods relating thereto shall have expired by not later than October 31, 2022;

(iii) the Plan of Arrangement and all Definitive Documents shall be in form and substance acceptable to the Company;

(iv) all required stakeholder, regulatory, non-regulatory, and Court approvals, consents, waivers and filings having been obtained or made on terms satisfactory to Icanic and the Consenting Debentureholders, each acting reasonably;

(v) all disclosure documents (including the Circular), solicitation forms with respect to the Arrangement Proceedings and press releases in respect of the Recapitalization Transaction shall be in form and substance acceptable to the Company the Consenting Debentureholders, each acting reasonably; provided that, nothing herein shall prevent a party to the Restructuring Support Agreement from making public disclosure in respect of the Recapitalization Transaction to the extent required by applicable Law;

(vi) the absence of any (i) decisions, orders or decrees by any Governmental Entity; (ii) applications to any Governmental Entity; and (iii) announced, threatened or commenced actions or investigations by any Governmental Entity that restrains, impedes or prohibits (or would restrain, impeded or prohibit) the Recapitalization Transaction or any material part thereof or require any material variation of the Recapitalization Transaction;

(vii) as applicable, the Director appointed pursuant to section 400 of the BCBCA shall have issued a certificate of arrangement giving effect to the articles of arrangement in respect of the Plan of Arrangement;

(b) By no later than the Outside Date:

(i) all regulatory consents, waivers and filings required to be made by the Icanic Parties shall have been obtained or made, as applicable, on terms satisfactory to the Company and the Consenting Debentureholders, each acting reasonably;

(ii) all filings that are required under applicable Laws in connection with the Recapitalization Transaction required to be made by the Icanic Parties shall have been made and any material regulatory consents or approvals that are required in connection with the Recapitalization Transaction shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;

(iii) the representations and warranties of the Company under the Restructuring Support Agreement or any document related hereto shall be true and correct in all material respects on the Effective Date;

(iv) the covenants of the Company under this Support Agreement or any document related hereto requested to be performed at or prior to the Effective Date shall have been performed and complied with in all material respects;

(v) in the event of the CCAA Proceedings, the treatment of claims against and contracts with Icanic shall be consistent with the terms of the Term Sheet or otherwise reasonably acceptable to Icanic, and the Consenting Debentureholders, each acting reasonably; and

(vi) the Effective Date shall have occurred.

Icanic's obligations to complete the Recapitalization Transaction are also subject to the satisfaction or waiver by Icanic, prior to or at the Effective Date, of a number of conditions including:

(a) the Consenting Debentureholders having complied in all material respects with their covenants and obligations in the Restructuring Support Agreement that are to be performed on or before the Effective Date; and

(b) the representations and warranties of the Consenting Debentureholders, as applicable, in the Support Agreement being true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) as of the Effective Date, except (i) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date; and (ii) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by the Restructuring Support Agreement.

The obligations of the Consenting Debentureholders to complete the Recapitalization Transaction are also subject to the satisfaction or waiver by the Consenting Debentureholders prior to or at the Effective Date, of a number of conditions including:

(c) Icanic having achieved all steps for the Recapitalization Transaction set in the Restructuring Support Agreement within the times set forth therein;

(d) Icanic having complied in all material respects with its covenants and obligations in the Restructuring Support Agreement;

(e) the representations and warranties of the Icanic Parties in the Restructuring Support Agreement being true and correct in all material respects as of the Effective Date, except (i) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date; and (ii) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by the Restructuring Support Agreement;

(f) the Final Order, the Plan of Arrangement, the other Definitive Documents and all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the BCBCA shall be in form and substance satisfactory to the Consenting Debentureholders, acting reasonably;

(g) all actions taken by the Icanic Parties in furtherance of the Recapitalization Transaction and the Plan of Arrangement shall be consistent with the Plan of Arrangement and the Support Agreement;

(h) the absence of any material adverse change from and after the date of the Support Agreement;

(i) Icanic shall be a reporting issuer in each province of Canada in which it is currently a reporting issuer and Icanic (i) shall have taken all such actions as are commercially reasonable, subject to Icanic being able to satisfy listing and applicable public float and public holder requirements, to maintain a listing of its common shares on the CSE, or on such other recognized stock exchange acceptable to the Consenting Debentureholders and Icanic; and (ii) shall be in compliance with all applicable securities Laws in Canada and the United States and not subject to any cease trade orders;

(j) Icanic and/or its securities shall not be subject to any "cease trade" or similar orders and all existing cease trade orders shall have ceased to be of any force or effect immediately prior to the Effective Time; and

(k) Icanic shall have provided each Consenting Debentureholder with a certificate signed by an officer of Icanic certifying compliance with the terms of Section 1.10(c) of the Restructuring Support Agreement as of the Effective Date.

Termination

The Restructuring Support Agreement will terminate automatically at the Effective Time and may be terminated at any time by mutual written consent of Icanic Parties, the Secured Debentureholders.

The Restructuring Support Agreement may be terminated by the Secured Debentureholders in certain circumstances, including if:

(a) any Icanic Party publicly recommends, enters into a written agreement to pursue, or directly or indirectly proposes, supports, assists, solicits or files a motion or pleading seeking approval of a transaction other than the Recapitalization Transaction;

(b) the Board or any other Icanic Party changes its recommendation to Secured Debentureholders that they vote in favour of the Recapitalization Transaction or fails to reconfirm such recommendation within three (3) Business Days of having been requested to do so by the Consenting Debentureholders;

(c) if any Icanic Party takes any action materially inconsistent with the Restructuring Support Agreement or fails to comply with, or defaults in the performance or observance of, in all material respects, any term, condition, covenant or agreement set forth in the Restructuring Support Agreement that, if capable of being cured, is not cured within the within the time specified in the Restructuring Support Agreement;

(d) any Icanic Party's representations, warranties or acknowledgements in the Support Agreement are untrue in any material respect, and that, if capable of being cured, is not cured within the time periods permitted under the Restructuring Support Agreement;

(e) a final decision, order or decree is issued by any Governmental Entity, in consequence of or in connection with the Recapitalization Transaction or the Plan of Arrangement, which impedes or prohibits the Recapitalization Transaction or the Plan of Arrangement;

(f) the Arrangement Proceedings or the CCAA Proceedings are dismissed or a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator is appointed with respect to any Icanic Party (except with the prior written consent of the Consenting Debentureholders);

(g) any Icanic Party seeks to amend the terms of the Recapitalization Transaction or the Plan of Arrangement, or any material document or order relating thereto, unless such amendment is acceptable to the Consenting Debentureholders, acting reasonably;

(h) if any court of competent jurisdiction has entered a final non-appealable judgment or order declaring the Restructuring Support Agreement or any material portion thereof to be unenforceable;

(i) the issuance of any order by the Court that is inconsistent with the terms of the Restructuring Support Agreement, the Term Sheet or the Recapitalization Transaction Terms, that could reasonably be expected to affect any of the foregoing, or the timely completion of the Recapitalization Transaction in accordance with the timelines set forth in the Restructuring Support Agreement, or that is adverse to the interests or rights of the Consenting Debentureholders;

(j) any of the conditions set forth in the Restructuring Support Agreement are not satisfied or waived by the respective deadlines set out in the Restructuring Support Agreement; or

(k) the Recapitalization Transaction is not completed and/or the Plan of Arrangement is not implemented by the Outside Date.

The Restructuring Support Agreement may be terminated by Icanic in certain circumstances, including if:

(a) if any Consenting Debentureholder takes any action materially inconsistent with the Restructuring Support Agreement or fails to comply with, or defaults in the performance or observance of, in all material respects, any term, condition, covenant or agreement set forth in the Restructuring Support Agreement that, if capable of being cured, is not cured within the time specified in the Restructuring Support Agreement;

(b) at any time, the Consenting Debentureholders party to the Restructuring Support Agreement hold in aggregate less than 50% of the principal amount of 2019 Debentures;

(c) a final decision, order or decree is issued by any Governmental Entity, in consequence of or in connection with the Recapitalization Transaction or the Plan of Arrangement, which prohibits the Recapitalization Transaction or the Plan of Arrangement; and

(d) the Recapitalization Transaction is not completed by the Outside Date.

The Restructuring Support Agreement, upon its termination, shall be of no further force and effect, and each party thereto shall be automatically and simultaneously released from its commitments, undertakings covenants and agreements under or related to the Restructuring Support Agreement, and each party shall have the rights and remedies that it would have had it not entered in to the Restructuring Support Agreement and shall be entitled to take all actions, whether with respect to the Recapitalization Transaction or otherwise, that it would have been entitled to take had it not entered into the Restructuring Support Agreement.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations applicable to a beneficial holder of 2019 Debentures who disposes of 2019 Debentures under the Arrangement and who, for the purposes of the Tax Act, and at all relevant times: (i) holds the 2019 Debentures as capital property; (ii) deals at arm's length with and is not affiliated with the Company; and (iii) has not entered into and will not enter into a "synthetic disposition agreement" or a "derivative forward agreement" in respect of the 2019 Debentures or the New Secured Debentures (a "**Holder**"). Generally, the 2019 Debentures will be capital property to a Holder unless such 2019 Debentures are held by the Holder in the course of carrying on a business of buying and selling securities, or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder of 2019 Debentures: (i) that is a "financial institution" for purposes of the "mark to market property" rules; (ii) that is a "specified financial institution" or a "restricted financial institution"; (iii) an interest in which is, or whose 2019 Debentures are, a "tax shelter investment"; or (iv) that has elected to determine its Canadian tax results in a currency other than Canadian currency, all for purposes of the Tax Act. Such Holders should consult their own tax advisors with respect to the tax consequences of the Arrangement.

This summary is based upon the current provisions of the Tax Act and the current published administrative policies and assessing practices of the Canada Revenue Agency. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. No assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may be different from those discussed in this summary. **This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder and no representations with respect to the tax consequences to any particular Holder are made. This summary is not exhaustive of all Canadian federal income tax considerations. Holders of 2019 Debentures should consult their own tax advisors to determine the particular tax consequences to them of the Arrangement.**

Holders Resident in Canada

The following portion of this summary is applicable to a Holder who, at all relevant times, for the purposes of the application of the Tax Act, is a Resident Holder. Certain Resident Holders whose 2019 Debentures might not otherwise be capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have such debentures, and every other "Canadian security" as defined in the Tax Act owned by such Holder in the taxation year in which the election is made and in all subsequent taxation years, deemed to be capital property. Any Resident Holder contemplating making a subsection 39(4) election should consult their tax advisor for advice as to whether the election is available or advisable in their particular circumstances.

Disposition of 2019 Debentures

A Resident Holder of 2019 Debentures will be considered to have disposed of its 2019 Debentures on the Effective Date in consideration for such Resident Holder’s Pro Rata Share of the Cash Distribution Pool and their Pro Rata Share of the New Secured Debentures issued for the New Secured Debentures Principal Amount in connection with the Arrangement.

Any Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will generally be required to include in its income for a taxation year the amount of interest accrued or deemed to accrue on the 2019 Debentures up to the Effective Date, or that becomes receivable or was received by it on or before the Effective Date, except to the extent that such interest was otherwise included in computing income for the year or a preceding year. Any other Resident Holder (including an individual and a trust, other than a trust described in the preceding sentence) will be required to include in its income for a taxation year any interest on the 2019 Debentures received or receivable by such Resident Holder in the year (depending upon the method regularly followed by the Resident Holder in computing income), except to the extent that such interest was otherwise included in its income for the year or a preceding year. In addition, if a 2019 Debenture is an “investment contract” (as defined in the Tax Act) in relation to a Resident Holder described in the preceding sentence, such Resident Holder will be required to include in its income for a taxation year that includes the Effective Date any interest accrued or deemed to have accrued on such Resident Holder’s 2019 Debentures up to the Effective Date, except to the extent that such interest was otherwise included in such Resident Holder’s income for the year or a preceding year.

Where a Resident Holder is required to include in their income an amount on account of interest on the 2019 Debentures that accrues in respect of the period prior to the date of acquisition by such Resident Holder, the Resident Holder should be entitled to a deduction of an equivalent amount in computing income. Where a Resident Holder is required to include an amount in their income on account of interest on the 2019 Debentures, the Resident Holder should be entitled to a deduction of an equivalent amount in computing income to the extent that such amount is forgiven and is not paid.

In general terms, a Resident Holder will realize a capital gain (or capital loss) on the disposition of its 2019 Debentures equal to the amount by which the Resident Holder's proceeds of disposition, less any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of its 2019 Debentures. A Resident Holder's proceeds of disposition of its 2019 Debentures pursuant to the Arrangement will be an amount equal to the aggregate

of: (i) the cash received by such Resident Holder pursuant to the Arrangement; and (ii) the fair market value (at the Effective Time) of the New Secured Debentures received by such Resident Holder pursuant to the Arrangement., less the fair market value of any consideration received by such Resident Holder in respect of the payment of interest. No formal valuation of the 2019 Debentures or the New Secured Debentures has been sought or obtained, and the Company is not able to provide any guidance as to the fair market value of the 2019 Debentures or the New Secured Debentures.

Generally, a portion of any capital loss realized on the disposition of 2019 Debentures pursuant to the Arrangement may be denied in certain circumstances under the Tax Act. Resident Holders should consult a tax advisor with respect to any potential loss denial. The income tax treatment of capital gains (and capital losses) is generally described below under "Taxation of Capital Gains and Capital Losses".

A Resident Holder will be considered to have acquired any New Secured Debentures received pursuant to the Arrangement at a cost equal to the fair market value of such New Secured Debentures at the time of the Effective Time, plus the portion of any denied loss realized on the disposition of the 2019 Debentures as described above. The adjusted cost base to a Resident Holder of New Secured Debentures at a particular time will generally be determined by averaging the cost of such New Secured Debentures with the adjusted cost base of any other New Secured Debentures held by such Resident Holder as capital property at that time.

Interest on New Secured Debentures

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will generally be required to include in its income for a taxation year the amount of interest accrued or deemed to accrue on the New Secured Debentures or that became receivable or was received by it before the end of the year, except to the extent that such interest was otherwise included in computing income for the year or a preceding year. Any other Resident Holder (including an individual and a trust, other than a trust described in the preceding sentence) will be required to include in its income for a taxation year any interest on the New Secured Debentures received or receivable by such Resident Holder in the year (depending upon the method regularly followed by the Resident Holder in computing income), except to the extent that such interest was otherwise included in its income for the year or a preceding year.

In addition, if a New Secured Debenture is or becomes an “investment contract” (as defined in the Tax Act) in relation to a Resident Holder, such Resident Holder will be required to include in its income for a taxation year any interest that accrues on the New Secured Debenture up to any “anniversary day” (as defined in the Tax Act) of the New Secured Debenture in the year, except to the extent that such interest was otherwise included in such Resident Holder’s income for the year or a preceding year.

Disposition of New Secured Debentures

On a disposition or deemed disposition of New Secured Debentures (including on redemption, repurchase for cancellation or repayment on maturity), a Resident Holder will generally be required to include in computing income for the taxation year in which the disposition occurs the amount of any interest accrued or deemed to accrue to the date of such disposition or deemed disposition, or that becomes receivable or is received on or before the date of disposition, except to the extent that such interest was otherwise included in computing the Resident Holder’s income for the year or a preceding year. Where the Resident Holder has disposed of New Secured Debentures for consideration equal to its fair market value, the Resident Holder may be entitled to a deduction to the extent that the aggregate amount of interest included in computing the Resident Holder’s income for the year of disposition or a previous year exceeds amounts received or receivable in respect of such interest. Resident Holders are advised to consult with a tax advisor in these circumstances.

In general terms, a disposition or deemed disposition of New Secured Debentures will result in a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the Resident Holder’s income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of the New Secured Debentures immediately before the disposition. The income tax treatment of any such capital gain (or capital loss) is described below under “Taxation of Capital Gains and Capital Losses”.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder will be required to include in computing the Resident Holder's income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Resident Holder in the year. A Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains for a year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized by the Resident Holder in such years to the extent and in the circumstances permitted under the Tax Act.

Additional Taxes

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional 10% refundable tax on certain investment income, including certain amounts in respect of net taxable capital gains and interest. Proposed Amendments contained in the 2022 Canadian Federal Budget announced by the Minister of Finance (Canada) on April 7, 2022 are intended to extend this additional tax and refund mechanism in respect of “aggregate investment income” to “substantive CCPCs” as defined in such Proposed Amendments. The complete legislation for such Proposed Amendments has yet to be released. Resident Holders are advised to consult their own tax advisors.

Capital gains realized by an individual (including certain trusts and estates) may give rise to liability to alternative minimum tax under the Tax Act.

Non-Resident Holders should consult their own tax advisors with respect to the tax consequences in their jurisdiction of residence of holding or disposing of the New Secured Debentures and the receipt of interest thereon.

CANADIAN SECURITIES LAW MATTERS

The following discussion is only a general overview of certain requirements of Canadian securities laws applicable to the resale of the New Secured Debentures received upon completion of the Arrangement. All Secured Debentureholders s are urged to consult with their own legal counsel to ensure that any resale of their New Secured Debentures complies with applicable securities legislation.

Resale of New Secured Debentures

The issuance of the New Secured Debentures will be exempt from the prospectus and registration requirements under Canadian securities legislation. As a consequence of these exemptions, certain protections, rights and remedies provided by Canadian securities legislation, including statutory rights of recession or damages, will not be available in respect of the New Secured Debentures to be issued pursuant to the Arrangement.

Under applicable provincial securities laws, the New Secured Debentures may be resold in Canada without hold period restrictions, provided the sale is not a “control distribution” as defined by applicable securities laws, no unusual effort is made to prepare the market or create demand for the securities, no extraordinary commission or consideration is paid in respect of the sale and, if the selling holder of New Secured Debentures is an insider or officer of the Company, such selling holder has no reasonable grounds to believe that the Company is in default of securities legislation. Secured Debentureholders are advised to seek legal advice prior to any resale of the New Secured Debentures.

MI 61-101

Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) regulates certain types of transactions to ensure fair treatment of security holders when, in relation to a transaction, there are persons in a position that could cause them to have an actual or reasonably perceived conflict of interest or informational advantage over other security holders.

If MI 61-101 applies to a proposed transaction of a reporting issuer, then enhanced disclosure in documents sent to securityholders, the approval of securityholders excluding, among others, the interested parties (as defined in MI 61-101), and a formal valuation prepared by an independent and qualified valuator, are all mandated (subject to certain exemptions).

The protections afforded by MI 61-101 apply to, among other transactions, "related party transactions" (as defined in MI 61-101) which include issuances of securities to "related parties" of the issuer (as defined in MI 61-101).

The directors and the senior officers of the Company, any person that has beneficial ownership of, or direction over, directly or indirectly, or a combination of beneficial ownership of, and control or direction over, directly or indirectly, more than 20% of the voting securities, and the directors or senior officers of such persons are all related parties of the Company for the purposes of MI 61-101. Since certain "related parties" of the Company hold 2019 Debentures and, under the Arrangement, will be issued New Secured Debentures, the Arrangement will be considered a "related party transaction" within the meaning of MI 61-101.

Absent an exemption, the Company would be required to, among other things, obtain a formal valuation in connection with the Arrangement and, in addition to any other required securityholder approval, to obtain "minority approval" (as defined in MI 61-101) of every class of "affected securities" (as defined in MI 61-101) of the Company.

The Company is relying on section 5.5(b) of MI 61-101 (Issuer Not Listed on Specified Markets) from the requirement to obtain a formal valuation as the Company's Common Shares are listed for trading on the CSE. The Company is relying on the financial hardship exemption from the requirement to obtain minority approval, pursuant to section 5.7(e) of MI 61-101 based on the following: (i) the Company is in serious financial difficulty; (ii) the Arrangement is designed to improve the financial position of the Company; (iii) the Company has one or more independent directors (as defined in MI 61-101) in respect of the Arrangement; (iv) paragraph (f) of section 5.5 of MI 61-101 is not applicable; (v) the Board and at least two thirds of such independent directors, acting in good faith, have determined that items (i) and (ii) above apply and that the terms of the Arrangement are reasonable in the circumstances of the Company and (vi) there is no other requirement, corporate or otherwise, to hold a meeting to obtain any approval of the holders of any class of affected securities.

U.S. SECURITIES LAW MATTERS

The New Secured Debentures, the Units issuable upon conversion of the New Secured Debentures, the Unit Shares and Warrants comprising the Units, and the Warrant Shares issuable upon exercise of the New Secured Debentures have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. The New Secured Debentures will be issued in partial exchange for the 2019 Debentures in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof on the basis of the approval of the Court as described under "*The Arrangement - Required Approvals - Court Approval of the Arrangement*".

Section 3(a)(10) of the U.S. Securities Act exempts the offer and sale of securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where, among other things, the fairness of the terms and conditions of such issuance and exchange are approved by a court of competent jurisdiction that is authorized by law to grant such approval, after a hearing upon the fairness of such terms and conditions at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court granted the Interim Order on July 8, 2022 and, subject to the approval of the Arrangement by the Secured Debentureholders and satisfaction of certain other conditions, a hearing on the Arrangement is anticipated to be held on August 15, 2022 by the Court. The Final Order, if granted, will constitute the basis for the Section 3(a)(10) exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the New Secured Debentures.

Resale of New Secured Debentures

The following discussion is only a general overview of certain requirements of United States securities laws applicable to the resale of the New Secured Debentures received upon completion of the Arrangement. All Secured Debentureholders are urged to consult with their own legal counsel to ensure that any resale of their New Secured Debentures complies with applicable securities legislation.

The New Secured Debentures to be issued pursuant to the Arrangement will (to the extent such securities are, by their terms, transferrable) be freely transferable under U.S. federal securities laws, except by persons: (i) who are, or at any time within 90 days preceding a proposed resale of the New Secured Debentures were, "affiliates" (as such term is understood under U.S. securities Laws) of Icanic; or (ii) were "affiliates" of Icanic within 90 days prior to the Effective Time.

Persons who may be deemed to be "affiliates" of an issuer generally include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of an issuer's securities by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and, if applicable, former affiliates) may be able to resell such securities outside the United States without registration under the U.S. Securities Act pursuant to the requirements and restrictions under Regulation S under the U.S. Securities Act. If available, such affiliates (and former affiliates) may also resell such securities pursuant to Rule 144 under the U.S. Securities Act subject to compliance with all of the requirements of Rule 144.

Conversion of New Secured Debentures and Exercise of any Resulting Warrants

The exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act will not be available to facilitate conversion of the New Secured Debentures or the exercise of any resulting Warrants. The Unit Shares and Warrants will be issued upon such conversion in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(9) thereof, inasmuch Icanic does not contemplate paying a commission or other remuneration directly or indirectly for soliciting any conversions.

Section 3(a)(9) of the U.S. Securities Act provides an exemption in respect of "… any security exchanged by the issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange". SEC Staff has published guidance to the effect that when securities are exchanged for other securities of the issuer under Section 3(a)(9), the securities received will assume the character of the exchanged securities. Thus, to the extent that the New Secured Debentures will be issued in reliance on Section 3(a)(10) of the U.S. Securities Act and therefore will not constitute "restricted securities" (as defined in Rule 144 under the U.S. Securities Act), the Unit Shares and Warrants will be freely transferable under U.S. federal securities Laws, except by persons who are, or at any time within 90 days preceding a proposed resale of the New Secured Debentures were, "affiliates" of Icanic.

The Warrants will not be exercisable by, or for the account or benefit of, any U.S. person or any person within the United States absent an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Any Warrant Shares issued in reliance on available exemptions from such registration to, or for the account or benefit of, any U.S. person or any person within the United States, will be "restricted securities" as defined in Rule 144 under the U.S. Securities Act.

RISK FACTORS

In addition to the other information contained in this Circular, the Secured Debentureholders should carefully consider the following risk factors in evaluating whether to approve the Arrangement:

Risks Relating to the Recapitalization Transaction

The Recapitalization Transaction May Be Implemented Pursuant to the CCAA Proceedings

Pursuant to Icanic's obligations under the Restructuring Support Agreement, if the Arrangement Resolution is not approved at the Meeting, Icanic is required to proceed with the Recapitalization Transaction pursuant to the CCAA Proceedings.

Conditions Precedent and Requirement for Court Approval

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Icanic, including the receipt of Secured Debentureholder approval and receipt of the Final Order. There is no certainty, nor can the Company provide any assurance, that all conditions precedent will be satisfied or waived, nor can there be any certainty or assurance as to the timing of their satisfaction or waiver. Even if the Arrangement Resolution is approved by the requisite number of Secured Debentureholders, the Arrangement may not be completed, for reasons including not meeting the conditions of the Plan of Arrangement or directors determining not to proceed with the Plan of Arrangement or revoking the Arrangement Resolution or may not be completed on the schedule described in this Circular. In addition, if the Arrangement is not completed on the schedule described in this Circular, Icanic may incur additional expenses. A substantial delay in satisfaction or waiver of the conditions precedent could adversely affect the business, financial condition or results of operations of Icanic or result in the Arrangement not being completed.

Potential Effect of the Recapitalization Transaction

There can be no assurance as to the effect of the announcement of the Recapitalization Transaction on Icanic's relationships with its suppliers, customers or stakeholders, nor can there be any assurance as to the effect on such relationships of any delay in the completion of the Recapitalization Transaction, or the effect of whether the Recapitalization Transaction is completed under the BCBCA or pursuant to another statutory procedure. To the extent that any of these events result in the tightening of payment or credit terms, or the loss of a major supplier or customer, this could have a material adverse effect on Icanic's business, financial condition, liquidity and results of operations. Similarly, current and prospective employees of the Company may experience uncertainty about their future roles with the Company until the Company's strategies with respect to such employees are determined and announced. This may adversely affect the Company's ability to attract or retain key employees in the period until the Arrangement is completed or thereafter. The risk, and material adverse effect, of such disruptions could be exacerbated by any delay in the consummation of the Arrangement or termination of the Restructuring Support Agreement.

Parties May Make Claims Against the Icanic Parties Despite the Releases and Waivers Provided for in the Plan of Arrangement

The Plan of Arrangement includes certain releases to become effective upon the implementation of the Recapitalization Transactions in favour of the Released Parties, as set out in the Plan of Arrangement. Furthermore, the Plan of Arrangement also provides that, from and after the Effective Time, all Persons shall be deemed to have consented and agreed to all of the provisions of the Plan of Arrangement in its entirety. Without limiting the foregoing, pursuant to the Plan of Arrangement, all Persons shall be deemed to have waived any and all defaults or events of default, change of control rights or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to, arising out of, or in connection with, the 2019 Debenture Documents the Restructuring Support Agreement, the Arrangement and the Plan of Arrangement**,** the transactions contemplated thereunder and any proceedings commenced with respect to or in connection with the Plan of Arrangement and any and all amendments or supplements thereto. Notwithstanding the foregoing, the Company may still be subject to legal actions with regards to such released claims and related matters. Such legal actions may be costly and could require the Company to defend such potential claims without recourse for legal costs incurred, even if the Company is successful.

Stakeholders Might Have Difficulty Enforcing Civil Liabilities Against the Company in the United States

The enforcement by investors of civil liabilities under the United States federal securities Laws may be affected adversely by the fact that Icanic is incorporated outside the United States, that some or all of the officers and directors of such persons and the experts named herein are residents of a country other than the United States, and that said persons are located outside the United States. As a result, it may be difficult or impossible for holders of Icanic's securities in the United States to effect service of process within the United States upon Icanic and their officers and directors and the experts named herein, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the federal securities Laws of the United States or any applicable securities Laws of any state within the United States. In addition, holders of Icanic's securities in the United States should not assume that the courts of Canada: (i) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities Laws of the United States or any applicable securities Laws of any state within the United States; or (ii) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities Laws of the United States or any applicable securities Laws of any state within the United States. The enforcement by investors of civil liabilities under Canadian securities Laws may be affected adversely by the fact that certain officers and directors named in this Circular are residents of countries other than Canada, and that a substantial portion of the assets of said persons are located outside Canada. As a result, it may be difficult or impossible for investors in Canada to effect service of process within Canada upon those officers and directors, or to realize, against them, upon judgments of courts of Canada predicated upon civil liabilities under Canadian securities Laws.

The Pending Arrangement May Divert the Attention of the Company's Management

The Arrangement could cause the attention of the Company's management to be diverted from the day-to-day operations and customers or suppliers may seek to modify or terminate their business relationships with the Company. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of the Company regardless of whether the Arrangement is ultimately completed.

The Company Will Incur Significant Transaction-Related Costs in Connection with the Arrangement, and the Company May Have to Pay Various Expenses Even if the Arrangement is Not Completed

The Company expects to incur a number of non-recurring costs associated with the Arrangement before, at, and after its closing including transaction costs such as legal, accounting must be paid by the Company even if the Arrangement is not completed. If the Arrangement is not consummated, the Company will bear some or all of these costs without recognizing any of the anticipated benefits of the Arrangement.

CCAA Plan in the Event Arrangement is not Completed

In the event that the Arrangement is not implemented, the Company will be required to implement the Recapitalization Transaction pursuant to the CCAA Plan, through a CCAA Proceeding, pursuant to the Company's obligations under the Restructuring Support Agreement. In the event that the Company commences CCAA Proceedings: (i) Secured Debentureholders may be subordinated to any interim financing obtained by the company during the CCAA Proceedings along with any court-ordered charges and other priority claims; and (ii) Shareholders will not be entitled to receive any consideration on their Common Shares.

The Arrangement May Not Improve the Financial Condition of Icanic

The Arrangement is intended to reduce Icanic's financial liabilities and provide the Company with greater financial liquidity. However, the foregoing is contingent on assumptions that may prove to be incorrect, including without limitation the continued ability of the Company to succeed in implementing its business plans, Icanic's ability to obtain additional financing, the Company's ability to repay the outstanding interest and principal amounts of the New Secured Debentures on the New Maturity Date, general economic and market conditions will not deteriorate beyond currently anticipated levels and the continued ability of the Company to manage costs and continue as a going concern.

Should any of the assumptions, including those mentioned above, not materialize, the Arrangement may not have the effect of increasing the Company's financial liquidity expected or required to implement its business plan and continue as a going concern. As such, there remains a risk that the Company will not have sufficient cash flow to meet its ongoing obligations, including the repayment of the outstanding interest and principal amounts on the New Secured Debentures.

Risks Relating to the New Secured Debentures

The Company May Not Generate Cash Flow Sufficient To Service All of Our Obligations

The Company's ability to make payments on our indebtedness, including the New Secured Debentures and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash in the future. The Company's cash flow is subject to general economic, industry, financial, competitive, operating, regulatory and other factors that are beyond our control. The Company's business may not generate cash flow in an amount sufficient to enable it to repay our indebtedness, including the New Secured Debentures make the requisite interest payments on the New Secured Debentures or to fund our other liquidity needs. The Company may need to refinance all or a portion of our indebtedness, including the New Secured Debentures, on or before the New Maturity Date. The Company's ability to refinance our indebtedness including the New Secured Debentures or obtain additional financing will depend on, amongst other factors, our financial condition at the time, restrictions under any of the Company's indentures or credit agreements and other factors, including the condition of the financial markets or the cannabis industry. As a result, the Company may not be able to refinance the New Secured Debentures if necessary, on commercially reasonable terms, or at all. If the Company does not generate sufficient cash flow from operations and additional borrowings or refinancing or proceeds of asset sales are not available to Icanic, the Company may not have sufficient cash to enable it to meet all of our obligations, including payments on the New Secured Debentures.

The Value of the Collateral May Not be Sufficient to Satisfy the Company's Obligations Under the New Secured Debentures

No appraisal of the value of the Collateral of the New Secured Debentures has been made and the fair market value of the collateral is subject to fluctuations based on factors that include, among others, general economic conditions, the value of the collateral may not be sufficient to repay all of the Company's indebtedness, including the New Secured Debentures. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the collateral at such time, the timing and the manner of the sale and the availability of buyers, and the proceeds from any sale or liquidation of the collateral may not be sufficient to pay the Company's obligations under the New Secured Debentures.

The New Debenture Indenture Will Permit Icanic to Incur Additional Indebtedness

To the extent the Collateral is encumbered by pre-existing liens, liens permitted under the New Debenture Indenture and other rights, including liens on excluded assets, such as those securing hedges, purchase money obligations and capital lease obligations granted to other parties (in addition to the holders of obligations secured by first-priority liens), those parties have or may exercise rights and remedies with respect to the Collateral that could adversely affect the value of the collateral and the ability of the collateral agent, the trustee under the New Debenture Indenture or the holders of the New Secured Debentures to realize or foreclose on the collateral. Consequently, liquidating the collateral may not result in proceeds in an amount sufficient to pay amounts due under the New Secured Debentures after satisfying the obligations. If the proceeds of any sale of the collateral are not sufficient to repay all amounts due on the New Secured Debentures, the holders of the New Secured Debentures (to the extent not repaid from the proceeds of the sale of the collateral) would have only an unsecured claim against the Company's remaining assets, which were not part of the collateral.

Risks Relating to Icanic's Business

Risks Related to the United States Regulatory Regime

Marijuana is Illegal Under U.S. federal law

The cultivation, manufacture, distribution, and possession of marijuana is illegal under U.S. federal law. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and, in case of conflict between federal and state law, the federal law must be applied. Accordingly, federal law applies even in those states in which the use of marijuana has been legalized. Enforcement of federal law regarding marijuana would harm the Company's business, prospects, results of operation, and financial condition.

Under the Controlled Substances Act, 21 U.S.C., § 801 et seq. (the "**CSA**"), it is a felony to manufacture, distribute, dispense or possess with intent to manufacture, distribute or dispense a controlled substance, including marijuana (a Schedule I controlled substance under the CSA); to use a communication facility, which includes the mail, telephone, wire, radio, and all other means of communication, to cause or facilitate a violation of the CSA; and to place an advertisement knowing that the advertisement is intended to offer to sell or buy marijuana, or to use the internet to advertise the sale of marijuana. It is also a federal misdemeanor to knowingly or intentionally possess marijuana and a felony to attempt or conspire to violate the CSA. The CSA does not apply to conduct that takes place entirely outside the United States if the conduct involves cannabis that never reaches, and is never intended to reach, the United States.

Since the possession and use of marijuana and any related paraphernalia is illegal under U.S. federal law, the Company may be deemed to be aiding and abetting illegal activities. Its subsidiaries plan to manufacture and/or distribute medical and adult-use cannabis. As a result, U.S. law enforcement authorities, in their attempt to regulate the illegal use of marijuana and any related paraphernalia, may seek to bring an action or actions against the Company or its subsidiaries, including, but not limited to, a claim regarding the possession, use and sale of cannabis, and/or aiding and abetting another's criminal activities. The U.S. federal aiding and abetting statute provides that anyone who "commits an offense or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." As a result, the U.S. Department of Justice could allege that the Company has "aided and abetted" violations of federal law by providing financing and services to its subsidiaries.

Under these circumstances, the federal prosecutor could seek to seize the assets of the Company, and to recover the "illicit profits" previously distributed to shareholders resulting from any of the foregoing. In these circumstances, the Company's operations would cease, shareholders may lose their entire investment and directors, officers and/or shareholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison. Such an action would result in a material adverse effect on the Company. Violations of federal law could result in significant fines, penalties, administrative sanctions, criminal prosecution, including arrest, pre-trial incarceration, and sentences including monetary fines or incarceration, disgorgement of profits, cessation of business activities or divestiture, and forfeiture of real and personal property. The federal government can seek, (i) civil forfeiture of property involved in or traceable to certain crimes, including money laundering and violations of the CSA; and (ii) prosecution of the Company's employees, directors, officers, managers and investors for criminal violations of the CSA, federal anti-money laundering laws, or the Travel Act. Even when the government does not bring criminal charges, it may use the threat of an investigation or charges to incentivize civil settlements.

This could have a material adverse effect on the Company, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded Common Shares. It is difficult to estimate the time or resources needed to respond to a government investigation or prosecution of such matters without knowing the nature and extent of any information requested by the applicable authorities involved. Such time or resources could be substantial.

Marijuana is Strictly Regulated in Those States Which Have Legalized it for Medical or Recreational Use

U.S. states and territories that have medical and/or adult-use markets impose substantial regulatory and licensing burdens on marijuana businesses. The legal and regulatory framework applicable to cannabis businesses is different in each state and territory. Obtaining a license or permit to grow, distribute, or dispense marijuana can be a difficult, costly, and lengthy process. Violations of a state's legal and regulatory framework can result in revocation of licenses, civil penalties, and other punishments. No assurance can be given that the Company will receive the requisite licenses, permits, or cards to operate its businesses.

Local laws and ordinances could restrict the Company's business activity. Local governments may have the ability to limit or ban cannabis businesses from operating within their jurisdiction, or impose requirements in addition to those imposed by state law. Land use, zoning, local ordinances, and similar laws could be adopted or changed, which may have a material adverse effect on the Company's business. The Company currently operates only in the State of California and the State of Nevada but may consider opportunities in other jurisdictions as deemed appropriate by management.

The Company is aware that multiple states are considering special taxes or fees on businesses in the marijuana industry. Other states may be in the process of reviewing such additional fees and taxation, or may impose them in the future. This could have a material adverse effect upon the Company's business, results of operations, financial condition, or prospects.

Newly Established Legal Regime

The Company business activities will rely on newly established and/or developing laws and regulations in the states in which it operates. These laws and regulations are rapidly evolving and subject to change with minimal notice. Regulatory changes may adversely affect the Company's profitability or cause it to cease operations entirely. The cannabis industry may come under the scrutiny or further scrutiny by the FDA, Securities and Exchange Commission, the Department of Justice, the Financial Industry Regulatory Advisory or other federal or applicable state or nongovernmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or nonmedical purposes in the United States. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the industry may adversely affect the business and operations of the Company, including without limitation, the costs to remain compliant with applicable laws and the impairment of its business or the ability to raise additional capital.

Restricted Access to Banking

The Company may have limited or no access to banking or other financial services in the United States. Federal anti-money laundering statutes and regulations discourage financial institutions from working with marijuana businesses, regardless of whether marijuana is legal in the state in which the financial institution or its customers are located. The inability or limitation in the Company's ability to open or maintain bank accounts, obtain other banking services, or accept credit card and debit card payments may make it difficult for the Company to operate and conduct its business as planned or to operate efficiently.

Federally chartered financial institutions are subject to federal regulation, including oversight by the FinCEN bureau of the U.S. Treasury Department. Because marijuana is illegal under federal law, financial institutions may subject themselves to federal civil or criminal liability for banking the proceeds of marijuana businesses, and there are relatively few financial institutions who provide banking services to marijuana businesses.

The FinCEN Guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the U.S. Department of Justice, FinCen or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear to be comfortable providing banking services to cannabis-related businesses, or relying on this guidance, which can be amended or revoked at any time.

Financial institutions, which do provide financial services to marijuana businesses, may charge increased fees to or impose additional requirements on marijuana businesses. Some financial institutions refuse to process debit or credit card payments to marijuana businesses. Financial institutions, which do process such transactions, may also charge fees higher than those imposed on other businesses. The Company may experience increased costs, or decreased profits, as a result of its inability to accept debit or credit card payments, or as a result of increased fees it pays to the financial institutions processing such transactions.

Further, because the manufacture, distribution, and dispensation of cannabis remains illegal under the CSA, banks and other financial institutions providing services to cannabis-related businesses risk violation of federal anti-money laundering statutes (18 U.S.C. §§ 1956 and 1957), the unlicensed money-remitter statute (18 U.S.C. § 1960) and the U.S. Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and other related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

Participating in transactions involving proceeds derived from cannabis may constitute criminal money laundering. It is a federal crime to engage in certain transactions involving the proceeds of "Specified Unlawful Activities" ("**SUA**") when those transactions are designed to promote an underlying SUA or conceal the source of the funds. Violations of the CSA and violations of a foreign state's laws are both SUA. It is a federal crime in the United States to engage in an international transaction into or out of the United States if the transaction is intended to promote an SUA, irrespective of the source of the funds. It is a federal crime to engage in a transaction in property worth greater $10,000 knowing that the property is derived from a SUA. In the event that any of the Company's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of anti-money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes of the United States or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada and other foreign jurisdictions from the United States.

Heightened Scrutiny by Canadian and U.S. Regulatory Authorities

The Company's existing operations in the United States, and any future operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United Stated. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to operate or invest in the United States or any other jurisdiction, in addition to those described herein. On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding (the "**MOU**") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSXV.1 The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of common shares to make and settle trades. In particular, common shares would become highly illiquid until an alternative was implemented, investors would have no ability to effect a trade of the common shares through the facilities of the applicable stock exchange.

Foreign Investors in Icanic Brands Company Inc. and its Directors, Officers, and Employees May be Subject to Entry Bans into the United States

It is a federal crime to engage in interstate or foreign travel or commerce with the intent to distribute the proceeds of or promote a SUA. News media have reported that United States immigration authorities have increased scrutiny of

people who are crossing the United States-Canada border with respect to persons involved in cannabis businesses in the United States.

Those employed at or investing in legal and licensed Canadian cannabis companies could face detention, denial of entry or lifetime bans from the United States for their business associations with U.S. cannabis businesses. Entry happens at the sole discretion of CBP officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a non-US citizen or foreign national. The government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the United States. Business or financial involvement in the legal cannabis industry in Canada or in the United States could also be reason enough for U.S. border guards to deny entry. On September 21, 2018, CBP released a statement outlining its current position with respect to enforcement of the laws of the United States. It stated that Canada's legalization of cannabis will not change CBP enforcement of United States laws regarding controlled substances and because cannabis continues to be a controlled substance under United States law, working in or facilitating the proliferation of the legal marijuana industry in the United States. States where it is deemed legal or Canada may affect admissibility to the United States. As a result, CBP has affirmed that, employees, directors, officers, managers and investors of companies involved in business activities related to cannabis in the United States or Canada (such as the Company), who are not U.S. citizens face the risk of being barred from entry into the United States for life. On October 9, 2018, CBP released an additional statement regarding the admissibility of Canadian citizens working in the legal Canadian cannabis industry. CBP stated that a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada coming into the United States for reasons unrelated to the cannabis industry will generally be admissible to the United States; however, if such person is found to be coming into the United States for reasons related to the cannabis industry, such person may be deemed inadmissible. Accordingly, the Company's directors, officers or employees traveling to the United States for the benefit of the Company may encounter enhanced scrutiny by United States immigration authorities that may result in the employee not being permitted to enter the United States for a specified period of time. If this happens to the Company's directors, officers or employees, then this may reduce the Company's ability to manage its business effectively in the United States.

Constraints on Developing and Marketing Products

The development of the Company's business and operating results may be hindered by applicable restrictions on development, sales and marketing activities imposed by government regulatory bodies. The legal and regulatory environment in the United States limits the Company's ability to compete for market share in a manner similar to other industries. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

Unfavorable Tax Treatment of Cannabis Businesses

Under Section 280E of the United States Internal Revenue Code of 1986 as amended ("**Section 280E**"), "no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any state in which such trade or business is conducted.". This provision has been applied by the U.S. Internal Revenue Service to cannabis operations, prohibiting them from deducting expenses directly associated with the sale of cannabis. Although the U.S. Internal Revenue Service issued a clarification allowing the deduction of certain expenses that can be categorized as cost of goods sold, the scope of such items is interpreted very narrowly and include the cost of seeds, plants, and labor related to cultivation, while the bulk of operating costs and general administrative costs are not permitted to be deducted. Section 280E therefore has a significant impact on the retail side of cannabis, but a lesser impact on cultivation, processing, production and packaging operations. A result of

Section 280E is that an otherwise profitable business may, in fact, operate at a loss, after taking into account its U.S. income tax expenses.

Risk of Civil Asset Forfeiture

United States federal law enforcement officials are empowered to seize property they allege has been involved in certain criminal activity. Because marijuana remains illegal under U.S. federal law, property owned by marijuana businesses could be subject to seizure and subsequent civil asset forfeiture by law enforcement, whether or not the owner is charged with a crime. Property can be seized and forfeited through criminal, civil, and administrative proceedings. Property owners seeking the return of their property must establish that the property was not involved in criminal activity, which can be a substantial burden.

Proceeds of Crime Statutes

The Company is subject to a variety of laws and regulations domestically and in the United States relating to money laundering, financial recordkeeping, and proceeds of crime, including the BSA, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada. In the event that any of the Company's license agreements in the United States are found to be illegal, proceeds of those licensing transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could be materially adverse to the Company and, among other things, could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Limited Intellectual Property Protection

The Company's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent the Company is able to do so, to protect any proprietary rights of the Company, the Company intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, there may be occurrences or impediments that may reduce the value of any of the Company's intellectual property, including the following:

(a) the Company will not be able to register any United States federal trademarks for its cannabis products. Because producing, manufacturing, processing, possessing, distributing, selling, and using cannabis is a crime under the CSA, the United States Patent and Trademark Office will not permit the registration of any trademark that identifies cannabis products. As a result, the Company likely will be unable to protect its cannabis product trademarks beyond the geographic areas in which it conducts business. The use of its trademarks outside the states in which it operates by one or more other persons could have a material adverse effect on the value of such trademarks;

(b) patents in the cannabis industry involve complex legal and scientific questions and patent protection may not be available for some or any products and as a result the Company may have to rely on goodwill associated with its trademarks, trade names and proprietary cannabis strains; and

(c) the Company may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to the Company, could subject the Company to significant liabilities and other costs.

The Company's success may likely depend on its ability to use and develop new extraction technologies, recipes, know-how and new strains of cannabis without infringing the intellectual property rights of third parties. The Company cannot assure that third parties will not assert intellectual property claims against it. The Company is subject to additional risks if entities licensing to it intellectual property do not have adequate rights in any such licensed materials.

If third parties assert copyright or patent infringement or violation of other intellectual property rights against the Company, it will be required to defend itself in litigation or administrative proceedings, which can be both costly and time consuming and may significantly divert the efforts and resources of management personnel. An adverse determination in any such litigation or proceedings to which the Company may become a party could subject it to significant liability to third parties, require it to seek licenses from third parties, to pay ongoing royalties or subject the Company to injunctions prohibiting the development and operation of its applications.

Lack of Access to U.S. Bankruptcy Protections

Because the use of cannabis is illegal under federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If the Company were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to the Company, which would have a material adverse effect.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than the Company.

Potential FDA Regulation

Should the federal government legalize cannabis, it is possible that the FDA, would seek to regulate it under the Food, Drug and Cosmetics Act of 1938. Additionally, the FDA may issue rules and regulations including good manufacturing practices, related to the growth, cultivation, harvesting and processing of medical cannabis. Clinical trials may be needed to verify efficacy and safety. It is also possible that the FDA would require that facilities where medical-use cannabis is grown register with the FDA and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, the impact they would have on the cannabis industry is unknown, including what costs, requirements and possible prohibitions may be enforced. If the Company is unable to comply with the regulations or registration as prescribed by the FDA it may have an adverse effect on the Company's business, operating results and financial condition.

Legality of Contracts

The Company's contracts involve cannabis and other activities that are not legal under U.S. federal law and in some jurisdictions, the Company may face difficulties in enforcing its contracts in U.S. federal and certain state courts. The inability to enforce any of the Company's contracts could have a material adverse effect on its business, operating results, financial condition, or prospects.

Risks Related to Icanic Brands Company Inc.

Limited Operating History

As the Company just begun to operate in the cannabis industry, there is no guarantee that the Company's products will be attractive to potential consumers or that the revenues generated from such products will meet the Company's projections. In addition, the Company is subject to all of the business risks and uncertainties associated with any early-stage enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company has been incurring operating losses. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. Furthermore, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of the Company's operations.

Financial Condition, Liquidity, and Requirements Outlook

The Company's cash balance and working capital position are not adequate to sustain the Company's existing operations. If the Company is unable to continue to raise capital from issuances of shares, loans or by other means, its cash and working capital position could be affected.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by the U.S. Food and Drug Administration, or other regulatory agencies, requiring further management attention and potential legal fees and other expenses. Furthermore, any product recall affecting the cannabis industry more broadly could lead consumers to lose confidence in the safety and security of the products sold by Cannabis license holders generally, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Product Liability

The Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products would involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness or death, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all.

The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

General Economic and Political Risks

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

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has undertaken a number of procedures and implemented a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of common shares.

GENERAL PROXY AND DEBENTUREHOLDER MEETING MATTERS

NOTE OF CAUTION Concerning COVID-19

At the date hereof the Company intends to hold the Meeting at the location stated in the Notice of Meeting. The Company reserves the right to take pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to changes in COVID-19 including: change of Meeting date, change of Meeting venue or the way in which the Meeting is held, for example by virtual meeting. Should any changes to the Meeting occur, the Company will announce any and all changes by way of news release filed under the Company's profile on SEDAR at www.sedar.com as well as on our Company website at https://www.icaninc.com/. Please check the Company's website or SEDAR profile prior to the Meeting for the most current information. In the event of changes to the Meeting format due to COVID-19, the Company will not prepare or mail amended Meeting Proxy Materials.

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the Management of Icanic for use at the Meeting. No person has been authorized to give any information or make any representation in connection with the Plan of Arrangement or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized. The Company will bear all costs of this solicitation.

These meeting materials are being sent to registered Secured Debentureholders. By choosing to send these materials to you directly, the Company has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The 2019 Debentures have been issued in physical certificate and DRS form. A registered Secured Debentureholder, being a Secured Debentureholder who holds 2019 Debentures in his or her or its own name and is entered on the 2019 Debentures as the registered holder of 2019 Debentures, may attend the Meeting in person or may be represented by proxy.

Appointment and Revocation of Proxies

The form of proxy accompanying this Circular gives discretionary authority to the proxy nominee for any amendments or variations to the matter identified in the Notice of Meeting and any other matters, which may properly come before the Meeting. On any ballot or poll, the 2019 Debentures represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy for any matter to be acted on. **If a choice is not so specified for any such matter, the 2019 Debentures represented by a proxy given to management will be voted in favour of the Arrangement Resolution. A Secured Debentureholder has the right to appoint a person (who need not be a Secured Debentureholder) to attend and act for such Secured Debentureholder and on the Secured Debentureholder's behalf at the Meeting other than the persons named in the proxy and may exercise**

such right by inserting the name in full of the desired person in the blank space provided in the proxy and striking out the names now designated.

The proxy confers discretionary authority upon the person(s) named therein with respect to: (i) each matter or group of matters identified therein for which a choice is not specified; (ii) any amendment to or variation of any matter identified therein; and (iii) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof. As of the date of this Circular, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the proxy.

If you are a registered Secured Debentureholder, whether or not you are able to attend the Meeting, you are requested to complete, execute and deliver the enclosed form of proxy in accordance with the instructions set forth on the form to the Company, c/o Odyssey Trust Company, Attn.: Corporate Trust by no later than 10:00 a.m. (Vancouver time) on August 5, 2022 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournments or postponements thereof. **The time limit for the deposit of proxies may be waived by the chair of the Meeting at his discretion without notice.**

Management is not aware of any amendments to the matter to be presented for action at the Meeting or of any other matters to be presented for action at the Meeting.

A Secured Debentureholder executing and delivering a proxy can revoke it by an instrument in writing signed by the Secured Debentureholder, or by his or her attorney authorized in writing, and delivered: (i) to the chair of the Meeting prior to the commencement of the Meeting or any adjournment(s) or postponement(s) thereof; (ii) to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used; or (iii) in any other manner provided by law. A proxy is valid only in respect of the Meeting. A Secured Debentureholder can also revoke the proxy by completing and signing a proxy bearing a later date and depositing it with the Scrutineer as described above. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation

Advice to Beneficial Holders of the 2019 Debentures

Only registered Secured Debentureholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Certain Secured Debentureholders are "non-registered" Secured Debentureholders because they may hold their Note through their brokers, custodian, banks, trustees or other persons (collectively, a "**Nominee**"). **Secured Debentureholders who do not hold their respective 2019 Debentures in their own name should note that only proxies deposited by registered Secured Debentureholders whose name appear on the records of the Company as the registered Secured Debentureholder are permitted to vote at the Meeting.** If 2019 Debentures are listed in an account statement provided to a Secured Debentureholder by a broker, then, in almost all cases, those 2019 Debentures will not be registered in the Secured Debentureholder's name on the records of the Company.

Nominees should seek voting instructions from non-registered Secured Debentureholders in advance of the Meeting. In this case, each Nominee should have its own form of voting instruction form, mailing procedures and provide its own return instructions to clients, which should be carefully followed by non-registered Secured Debentureholders to ensure that their 2019 Debentures are voted at the Meeting.

If you, as a non-registered Secured Debentureholder, wish to vote by proxy, you should carefully follow the instructions from the Nominee in order to ensure that your 2019 Debentures are voted at the Meeting. If you, as a non-registered Secured Debentureholder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in accordance with the instructions provided.

Only registered Secured Debentureholders have the right to revoke a proxy; non-registered Secured Debentureholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Nominees to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set out above.

Procedure, Quorum and Votes Required

The quorum for the Meeting has been set in the Interim Order. The quorum required at the Meeting will be the presence in person or by proxy of at least two persons who are, or who represent by proxy, Secured Debentureholders who, in the aggregate, constitute at least 5% of the total principal amount of the 2019 Debentures entitled to vote at the Meeting.

In accordance with the provisions of the 2019 Debenture Indenture, each Secured Debentureholder entitled to vote at the Meeting will be entitled to one vote for each US$1,000 principal amount held in 2019 Debentures.

The requisite approval for the Arrangement Resolution shall be the approval contemplated by Part 9: Division 5 of the BCBCA, being, the favourable votes of a majority in number of Secured Debentureholders that hold at least 3/4 of the principal amount of the 2019 Debentures then outstanding, present or represented by proxy and voted at the Meeting.

Other Business

Management of the Company does not currently know of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting of Secured Debentureholders accompanying this Circular.

PROCEDURES FOR THE SURRENDER OF DEBENTURES

Procedure for Debentureholders

The 2019 Debentures have been issued in physical certificate and DRS form. If the Arrangement Resolution is passed, the New Secured Debentures to which holders of 2019 Debentures are entitled pursuant to the Arrangement will be delivered, in physical certificate or DRS form, to Secured Debentureholders by the Trustee and Collateral Agent. The Trustee and Collateral Agent will also pay to each Secured Debentureholder its Pro Rata Share of the Cash Distribution Pool**. Holders of physical certificates of 2019 Debentures must surrender their physical certificates to the Trustee and Collateral Agent at 1230 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4 in order to receive their Pro Rata Share of the Cash Distribution Pool and their Pro Rata Share of the New Secured Debentures.** Holders of 2019 Debentures in DRS form do not need to take any action and will automatically receive their Pro Rata Share of the Cash Distribution Pool and their Pro Rata Share of the New Secured Debentures from the Trustee and Collateral Agent.

Cancellation of Rights of Debentureholders

From and after the Effective Time, each certificate, DRS form agreement or other instrument (as applicable) that immediately prior to the Effective Time represented 2019 Debentures shall represent only the right to receive (i) the Pro Rata Share of the Cash Distribution Pool; and (ii) the Pro Rata Share of the New Secured Debentures to be provided under the Arrangement.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed under "*The Arrangement – Interests of Directors and Officers in the Arrangement*" and below, to the best of the knowledge of Management, no informed person (as defined in Form 51-102F5 *Information Circular* to National Instrument 51-102 *Continuous Disclosure Obligations*) of the Company, or any associate or affiliate of any informed person, has had any material interest, direct or indirect, in any transaction, or proposed transaction, which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the most recently completed financial year of the Company.

INTERESTS OF CERTAIN PERONS IN THE ARRANGEMENT

Except as otherwise disclosed herein, no director or executive officer of the Company or any of their associates or affiliates, has any material interest, direct or indirect, other than by way of beneficial ownership of 2019 Debentures, in any matter to be acted upon at the Meeting.

As of the Record Date, directors and executive officers held, directly or indirectly, 2019 Debentures as follows:

Name	Principal Amount of 2019 Debentures	Percentage of Issued and Outstanding 2019 Debentures
Micah Anderson[1]	US$200,000	1.40%

(1) Micah Anderson is a director of LEEF, the wholly-owned subsidiary of the Company.

PRINCIPAL HOLDERS OF 2019 DEBENTURES

To the knowledge of the directors and executive officers of Icanic, no person owns, directly or indirectly, or exercises control or direction over, 2019 Debentures of Icanic carrying more than 10% of the voting rights attached to the 2019 Debentures as at the Record Date, other than as follows:

Name	Principal Amount of 2019 Debentures	Percentage of Issued and Outstanding 2019 Debentures
Canaccord Genuity Corp.	US$6,342,390	44.5%
National Bank Financial Inc.	US$1,482,266	10.4%

MANAGEMENT CONTRACTS

Other than as set out in this Circular, there are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company

SECURED DEBENTUREHOLDER RIGHTS

Some of your rights as a Secured Debentureholder, including those relating to the Meeting, are described generally in this Circular. For more details, reference is made to the full text of 2019 Debenture Indenture, which has been posted for public access under the Company's profile on SEDAR which can be accessed at www.sedar.com, or, alternatively, can be obtained upon written request to the Company at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, Attention: Brandon Kou, Chief Executive Officer.

ADDITIONAL INFORMATION

Additional information relating to the Company is available to the public free of charge on SEDAR at www.sedar.com. Financial information in respect of the Company and its affairs is provided in the Company's annual audited consolidated financial statements for the years ended July 31, 2021 and 2020, and the related management's discussion and analysis. Copies of the Company's financial statements and related management's discussion and analysis and the other documents incorporated by reference are available upon request and without charge from the Company at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7 Attention: Brandon Kou, Chief Executive Officer.

BOARD OF DIRECTORS' APPROVAL

The contents and sending of this Circular have been approved by the Board of Directors.

APPENDIX "A" – ARRANGEMENT RESOLUTION OF THE SECURED DEBENTUREHOLDERS OF ICANIC BRANDS COMPANY INC.

(the **"Company")**

BE IT RESOLVED THAT:

APPROVAL OF THE PLAN OF ARRANGEMENT

1. The arrangement (the **"Arrangement")** pursuant to Part 9: Division 5 of the *Business Corporations Act* (British Columbia) **("BCBCA"),** as more particularly described and set forth in the management information circular of the Company dated July 11, 2022 (the **"Circular"),** be and is hereby authorized and approved.

2. The plan of arrangement (the **"Plan of Arrangement"),** the full text of which is set out in Appendix "E" to the Circular (as the same may be, or may have been amended, modified or supplemented), be and is hereby authorized and approved.

AUTHORITY TO PERFORM RELATED ACTS

1. Notwithstanding the passing of these resolutions or the approval of the Supreme Court of British Columbia of the Arrangement and the Plan of Arrangement, the board directors of the Company, without further notice to or approval of the Secured Debentureholders, are hereby authorized and empowered, subject to the terms of the Plan of Arrangement and the Restructuring Support Agreement (as defined in the Circular), to: (i) amend the Plan of Arrangement; (ii) determine not to proceed with the Arrangement; and (iii) revoke these resolutions at any time prior to the Arrangement becoming effective, pursuant to the provisions of the BCBCA.

2. Any one officer or director of the Company be and is hereby authorized, empowered and directed, acting for, in the name and on behalf of the Company, to execute and deliver, whether under corporate seal or otherwise, any and all documents that are required to give full effect to the Plan of Arrangement and related transactions in accordance with the Plan of Arrangement, such determination to be conclusively evidenced by the execution and delivery of such documents.

3. Any one officer or director of the Company be and is hereby authorized, empowered and directed, acting for, in the name and on behalf of the Company, to do and perform all such acts and things and to execute or cause to be executed, deliver or cause to be delivered and file or cause to be filed all such applications, documents or other instruments in writing, whether under the seal of the Company or otherwise, as such officer or director deems necessary or advisable in order to give full effect and carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the doing of any such act or thing or the execution and delivery of such documents or instruments.

4. The proper officers and authorized signatories of Odyssey Trust Company ("**Odyssey**"), as trustee and collateral agent under the convertible debenture indenture dated as of June 6, 2019 between LEEF Holdings, Inc. ("**LEEF**") and Odyssey, as amended by the first supplemental debenture indenture dated April 20, 2022 between the Company, LEEF and Odyssey are hereby authorized, empowered and directed to do and perform all such acts and things and to execute, deliver and file all such applications, documents or other instruments in writing, as such officers or authorized signatories deem necessary or advisable in order to give full effect to and carry out the intent of the foregoing resolutions and the matters authorized thereby, including the execution of a supplemental convertible debenture indenture, such determination to be conclusively evidenced by the doing of any such act or thing or the execution and delivery of such documents or instruments**.**

To be effective, these resolutions must be approved by a majority in number and three-quarters in value of the debentureholders present and voting, either in person or represented by proxy at the meeting of the Secured

Debentureholders on August 8, 2022, or any adjournment(s) or postponement(s) thereof, in accordance with the terms of the Interim Order and the BCBCA.

Icanic's board of directors (other than Micah Anderson who noted his disclosable interest and abstained from voting) and management recommends that the Secured Debentureholders vote *FOR* approving these resolutions. Unless directed otherwise, the persons set forth in the enclosed form of proxy, if named as proxy, intend to vote the debentures represented by such proxy *FOR* the foregoing resolutions.

APPENDIX "B" – PETITION

(see attached)

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

JUN 30 2022

S-225354

No._____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 291 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT OF ICANIC BRANDS COMPANY INC. AND INVOLVING LEEF HOLDINGS, INC., PALEO PAY CORP. DBA LEEF ORGANICS, PAYNE'S DISTRIBUTION LLC, DBA LEEF DISTRIBUTION, SEVEN ZERO SEVEN LLC, DBA LEEF LABS, WILLITS RETAIL, LLC, EC RETAIL LLC, ANDERSON DEVELOPMENT SB, LLC., LEEF MANAGEMENT, LLC, PREFERRED BRAND LLC, DE KROWN ENTERPRISES LLC, 1200665 B.C. LTD., 1127466 B.C. LTD., THC ENGINEERING HOLDINGS LLC, X-SPRAY INDUSTRIES INC., THC ENGINEERING LLC, and AYA BIOSCIENCES, INC.

ICANIC BRANDS COMPANY INC.

PETITIONER

PETITION TO THE COURT

THIS IS THE PETITION OF:

Icanic Brands Company Inc.
c/o McMillan LLP
Suite 1500 – 1055 West Georgia Street
Vancouver, BC
V6E 4N7

ON NOTICE TO:

IT IS NOT INTENDED TO GIVE NOTICE OF THIS PETITION TO ANY PERSON, EXCEPT AS MAY BE DIRECTED BY THE COURT

This proceeding has been started by the petitioner for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

(a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and

(b) serve on the petitioner

(i) 2 copies of the filed response to petition, and

(ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

TIME FOR RESPONSE TO PETITION

A response to petition must be filed and served on the petitioner,

(a) if you were served with the petition anywhere in Canada, within 21 days after that service,

(b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,

(c) if you were served with the petition anywhere else, within 49 days after that service, or

(d) if the time for response has been set by order of the court, within that time.

The address for the registry is: 800 Smithe Street, Vancouver, BC V6Z 2E1
The ADDRESS FOR SERVICE of the petitioner is: McMillan LLP Suite 1500, 1055 West Georgia Street Vancouver, BC V6E 4N7 Telephone: 604-689-9111 Attention: Daniel Shouldice Fax number address for service (if any): n/a Email address for service: daniel.shouldice@mcmillan.ca
The name and office address of the petitioner's lawyer is: Same as above.

CLAIM OF THE PETITIONER

Part 1: ORDER(S) SOUGHT

1. The Petitioner, Icanic Brands Company Inc. ("**Icanic**") applies to this Court for a Final Order substantially in the form attached hereto as Schedule "**A**" (the "**Final Order**") pursuant to sections 288 to 297 of the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the "**BCBCA**") and Rule 16-1 of the *Supreme Court Civil Rules.*

Part 2: FACTUAL BASIS

Overview

1. Icanic is a public company incorporated under the BCBCA with a head office located at Suite 810 -789 West Pender Street, Vancouver, British Columbia, V6C 1H2 and an address for service for the purposes of this proceeding at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

2. Icanic's common shares are listed for trading on the Canadian Securities Exchange under the symbol "ICAN".

3. Icanic is a holding company with operating subsidiaries in Arizona, California and Nevada. Icanic's operating subsidiaries manufacture and retail regulated cannabis products to adult medical and recreational consumers.

4. Icanic's operating subsidiaries include: LEEF Holdings Inc. ("**LEEF Holdings**"), Paleo Pay Corp., Payne's Distribution LLC, Seven Zero Seven LLC, Willits Retail LLC, EC Retail LLC, Anderson Development SB LLC, LEEF Management LLC, Preferred Brand LLC, De Krown Enterprises LLC, 1200665 B.C. Ltd., 1127466 B.C. Ltd., THC Engineering Holdings LLC, Xspray Industries Inc., THC Engineering LLC and Aya Biosciences, Inc. (together with Icanic, the "**Icanic Parties**").

5. On June 6, 2022, Icanic was required to repay outstanding principal and interest in the amount of US$14,252,562 to holders (the "**Secured Debenture Holders**") of secured convertible debentures dated June 6, 2019 (the "**2019 Debentures**"). Icanic had insufficient liquidity to make the payments due under the 2019 Debentures.

6. After conducting a strategic review, the Icanic board of directors determined it was in the best interests of Icanic and the Secured Debenture Holders to restructure the 2019 Debentures.

7. Effective June 6, 2022, the Icanic Parties entered into a restructuring support agreement (the "**RSA**") with certain Secured Debenture Holders representing approximately 77.34% of the value of 2019 Debentures.

8. The RSA contemplates that a restructuring of Icanic is pursued pursuant to an arrangement under the BCBCA as set out in the proposed plan of arrangement (the

"**Arrangement**") attached as an appendix to the information circular (the "**Circular**") included as Exhibit "A" the Affidavit #1 of Christopher Cherry (the "**Cherry Affidavit**"). If the Arrangement fails, the RSA contemplates that the restructuring would be pursued pursuant to a pre-packaged plan of arrangement under the *Companies' Creditors Arrangement Act* (the "**CCAA**").

The Proposed Arrangement

9. Icanic proposes, in accordance with Sections 186, 288, 289, 290 and 291 of the BCBCA, to call, hold and conduct a meeting of the Secured Debenture Holders to be held at 10:00 a.m. (Vancouver time) on August 8, 2022 (the "**Meeting**"), at the offices of McMillan LLP at Suite 1500, Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, whereat, among other things, the Secured Debenture Holders will be asked to consider, and if deemed advisable, pass, with or without variation, a special resolution substantially in the form attached as Appendix "A" to the Circular (the "**Arrangement Resolution**") approving, with or without variation, the Arrangement.

10. In summary, the Arrangement provides that Secured Debenture Holders will receive:

(a) cash equal to 25% of their aggregate principal and interest outstanding on the Effective Date the ("**Cash Payment**"); and

(b) a new convertible debenture in the principal amount equal to 75% of the principal and interest outstanding on the Effective Date (the "**New Debentures**").

11. The New Debentures will bear interest at 11% per annum and shall have a term of 24 months from the Effective Date. The New Debenture will also be convertible into units of Icanic at a conversion price of $0.11 per unit, with each unit being comprised of a common share of Icanic and a share purchase warrant exercisable into a common share of Icanic at a price of $0.15 per share for a period of 24 months from the date of conversion.

Background to the Proposed Arrangement

12. The 2019 Debentures were initially issued by LEEF Holdings on June 6, 2019 for a term of three years.

13. On April 22, 2022, Icanic acquired all of the shares of LEEF Holdings and assumed all of the obligations due under the 2019 Debentures. Icanic issued 758,274,035

common shares of Icanic to the LEEF Holdings' shareholders as consideration for the shares of LEEF Holdings acquired by Icanic.

14. Following closing of the acquisition of LEEF Holdings by Icanic, a strategic review was undertaken by Icanic to consider options with respect to the repayment, refinance or re-organization of the 2019 Debentures as the three year term was approaching.

15. The Icanic Board, in consultation with Icanic's financial and legal advisors, determined that it was in the best interests of Icanic and the Secured Debenture Holders to restructure the 2019 Debentures, having regard to the options existing and available to Icanic.

16. Accordingly, Icanic engaged in arm's length discussions with certain Secured Debenture Holders, culminating in the negotiation and execution of the RSA.

17. The New Debentures include standard terms applicable to such secured convertible debentures, including those terms with respect to interest, repayment, conversion and adopting amendments (including by special majority of the Secured Debenture Holders).

The Meeting and Approvals

18. The record date for determining the Secured Debenture Holders entitled to receive notice of and vote at the Meeting is the close of business on June 6, 2022, unless otherwise determined by the directors of Icanic in accordance with the 2019 Debentures, the BCBCA, or as disclosed in the Meeting Materials (defined below).

19. In connection with the Meeting, Icanic intends to send to each Secured Debenture Holder a copy of the following materials and documentation (collectively referred to as the "**Meeting Materials**") substantially in the form attached as Exhibit "A" to the Cherry Affidavit:

(a) the Circular which includes, among other things:

(i) a summary of the effects of the Arrangement;

(ii) the text of the Arrangement Resolution;

(iii) a copy of the Plan of Arrangement; and

(iv) a copy of the Notice of Hearing of Petition; and

(b) the form of proxy.

20. The Circular, which includes the Notice of Hearing of Petition, will be sent to all Debenture Holders no later than 21 days before the Meeting.

21. All such documents may contain such amendments thereto as Icanic may advise are necessary or desirable and not inconsistent with the terms of the Interim Order.

Quorum and Voting

22. The 2019 Debentures do not include a quorum requirement for the Meeting. Icanic proposes that the quorum required at the Meeting will be the presence in person or by proxy of at least two persons who are, or who represent by proxy, Secured Debenture Holders who, in the aggregate, constitute at least five percent of the total principal amount of the 2019 Debentures entitled to vote at the Meeting.

23. Icanic proposes that the vote required to pass the Arrangement Resolution will be at least a majority in number, representing at least three-quarters in value, of the votes cast on the Arrangement Resolution by Secured Debenture Holders present in person or by proxy at the Meeting, consistent with section 289(1)(d) of the BCBCA.

24. Icanic proposes that each Secured Debenture Holder is entitled to one vote for each $1,000 of the principal amount of the 2019 Debentures on all matters to come before the Meeting, including the Arrangement Resolution. The Secured Debenture Holders are the only creditors of Icanic that will have voting rights at the Meeting.

Releases

25. The proposed Arrangement includes releases (the "**Releases**") in connection with the implementation of the Arrangement in favour of the Icanic Parties, the Secured Debenture Holders, and each of the foregoing persons' respective current and former directors, officers, managers, partners, employees, auditors, financial advisors, legal counsel and agents (collectively, the "**Released Parties**") from all present and future actions, causes of action, damages, judgments, executions, obligations and claims of any kind or nature whatsoever (other than liabilities or claims attributable to any of Released Party's gross negligence, willful

misconduct or fraud as determined by the final, non-appealable judgment of a court of competent jurisdiction) arising on or prior to the Effective Date in connection with or relating in any way to the 2019 Debentures, the Arrangement, the RSA, these proceedings, the transactions contemplated in the Arrangement, and any proceeding commenced with respect to or in connection with the Arrangement, and any other actions or matters related directly or indirectly to the foregoing (collectively, the "**Released Claims**"), provided that the Released Parties shall not be released from or in respect of any of their respective obligations under the RSA, the Arrangement, or any document ancillary to the foregoing.

26. The Releases do not release any liabilities or claims attributable to any of such Released Parties' gross negligence, fraud or willful misconduct as determined by the final, non-appealable judgment of a court of competent jurisdiction, and the Released Parties shall not be released from or in respect of any of their respective obligations under the RSA, the Arrangement, or any document ancillary to any of the foregoing.

Part 3: LEGAL BASIS

1. Icanic pleads and relies on:

(a) sections 186 and 288 to 297 of the BCBCA;

(b) Rules 2-1(2)(b), 4-4, 4-5, 8-1 and 16-1 of the *Supreme Court Civil Rules*; and

(c) the equitable and inherent jurisdiction of the Court.

2. Section 288(1) of the BCBCA permits a company to propose an arrangement with its shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate.

3. The Arrangement is one contemplated by section 288 of the BCBCA. The Arrangement provides for the compromise of the debt due under the 2019 Debentures and other interests of the Secured Debenture Holders in exchange for further rights and interests in Icanic.

4. Section 288(2) of the BCBCA sets out two preconditions for an arrangement to take effect: (a) the adoption of the arrangement in accordance with section 289; and (b) court approval under section 291.

5. Where an arrangement is proposed with a class of creditors, section 289(1)(d) sets out the threshold level of support among that class of creditors that must be achieved before the plan is adopted. Icanic expects to achieve that threshold level of support in advance of seeking the Final Order.

6. This Court has recognized that section 291 of the BCBCA contemplates three steps in the process of approving an arrangement:

(a) an application for an interim order for directions calling a shareholders' (and possibly other securityholders') meeting to consider and vote on the arrangement;

(b) a meeting of shareholders (and possibly other securityholders) where the arrangement must be voted on and approved by special resolution; and

(c) an application for final court approval of the arrangement.[1]

7. The Petitioner intends to apply for the Interim Order for directions and, following meetings to be held in compliance with the terms of the Interim Order, return to this Court for approval of the Arrangement.

8. With respect to the approval of an arrangement pursuant to section 291, *BCE Inc. v. 1976 Debentureholders* establishes a three-part test for approval. A petitioner must establish that:

(a) the arrangement is made in good faith;

(b) the statutory requirements have been met; and

(c) the arrangement is fair and reasonable.[2]

9. The Arrangement has been made in good faith, being the product of negotiations among the parties to the RSA. The Arrangement will permit the continued operation of Icanic as a going concern while maintaining its public company status and value for existing

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[1] *Re. Plutonic Power Corporation*, 2011 BCSC 804 at para. 16.
[2] *Re. First Bauxite Corporation*, 2019 BCSC 89 at para. 55, citing *BCE Inc. v. 1976 Debentureholders*, 2008 SCC 69.

shareholders. If the Arrangement is not approved, a CCAA proceeding will follow and equity holders will not receive any recovery.

10. Icanic anticipates that at the hearing for approval of the Final Order, it will satisfy this Court that the relevant statutory requirements have been met. The relevant sections of the BCBCA provide that:

> 288 (1) Despite any other provision of this Act, a company may propose an arrangement with shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate, including a proposal for one or more of the following:
>
> ...
>
> (i) a compromise between the company and its creditors or any class of its creditors, or between the company and the persons holding its securities or any class of those persons.
> 2) Before an arrangement proposed under this section takes effect, the arrangement must be
> (a) adopted in accordance with section 289, and
> (b) approved by the court under section 291.
>
> 289 (1) Despite sections 264 and 265, an arrangement is adopted for the purposes of section 288 (2) (a) if,
>
> ...
>
> (d) in respect of an arrangement proposed with creditors of the company or a class of creditors of the company, a majority in number and 3/4 in value of the creditors or class of creditors, as the case may be, present and voting, either personally or by proxy, approve the arrangement at a meeting if at least 21 days' notice of the meeting, and of the intention to propose the arrangement, has been sent to all of those creditors with whom the arrangement is proposed,

11. In determining where an arrangement is fair and reasonable, courts consider the following two questions:

(a) is there a valid business purpose for the arrangement; and

(b) does the arrangement resolve objections in a fair and balanced way?[3]

12. A valid business purpose is evidenced by the fact that the Arrangement furthers the interest of Icanic as an ongoing concern. In *BCE*, the Supreme Court of Canada stated:

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[3] *First Bauxite*, at para. 56.

> If the plan of arrangement is necessary for the corporation's continued existence, courts will more willingly approve it despite its prejudicial effect on some security holders. Conversely, if the arrangement is not mandated by the corporation's financial or commercial situation, courts are more cautious and will undertake a careful analysis to ensure that it was not in the sole interest of a particular stakeholder. Thus, the relative necessity of the arrangement may justify negative impact on the interests of affected security holders.[4]

13. The Arrangement is necessary for Icanic's continued existence and, in particular, the preservation of value for the Secured Debenture Holders and the equity holders. If the Arrangement is implemented by way of a CCAA proceeding, there will no value available for equity holders. Accordingly, Icanic submits there is a valid business purpose for the Arrangement.

14. In *First Bauxite*, Fitzpatrick J. held that: the shareholder vote, the process by which the arrangement transaction was chosen, the absence of alternatives for the company, the market response and the presence of dissent rights all supported the position that objections were resolved in a fair and balanced way.[5]

15. In this instance, the process that led to the Arrangement, including the arm's length negotiation of the RSA, Icanic's present financial circumstances and the lack of alternatives available to Icanic all indicate the Arrangement is fair. Moreover, the high degree of support from the Secured Debenture Holders, whose legal rights are being compromised, also indicate fairness.

16. The Arrangement also contemplates the release of claims against the Released Parties. Releases are a key feature of arrangements involving the compromise of debt claims. Releases are necessary to limit the exposure of Icanic and the Released Parties to litigation that could enmesh Icanic and prejudice its ability to move forward with the restructuring contemplated in the Arrangement.[6]

17. The Releases contemplated in the Arrangement can be approved by this court under section 291(4) of the BCBCA as an incidental or supplementary order that furthers the proper objectives of the Arrangement.[7]

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[4] *First Bauxite*, at para. 127, citing *BCE* at paras. 145-146.
[5] *First Bauxite*, at para. 144.
[6] *iAnthus Capital Holdings, Inc. (Re)*, 2020 BCSC 1484, at para. 32.
[7] *iAnthus*, at para. 33.

18. Courts, in deciding whether the provision of releases ought to be approved in the context of a CCAA plan of arrangement, have considered whether:

(a) the released parties are essential and are contributing to the restructuring;

(b) the released claims are rationally connected to the purpose of the plan;

(c) the plan could succeed without the releases; and

(d) those whose legal rights are affected by the proposed arrangement had knowledge of the releases.[8]

19. Icanic submits that each of the foregoing factors support the releases sought.

20. With respect to releases in favour of Icanic's directors and officers, those parties have certain rights of indemnification from Icanic. Accordingly, absent such releases of directors and officers, Icanic would remain exposed to future liability in connection with rights that would otherwise be finally compromised by implementation of the Arrangement.

21. The presence of releases will be brought to the attention of all parties affected by the Arrangement through service in accordance with the anticipated Interim Order.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Christopher Cherry, to be sworn, together with such further affidavits as may be required in support of the application for the Final Order; and

2. Such other material as counsel may advise and this Honourable Court may allow.

The Petitioner estimates that the hearing of the petition will take 10 minutes.

Dated: June 30, 2022

Signature of lawyer for Petitioner
Daniel Shouldice

[8] *Walter Energy Canada Holdings, Inc. (Re)*, 2018 BCSC 1135 at para 30.

To be completed by the court only:
Order made

❒ in the terms requested in paragraphs _____ of Part 1 of this notice of application

❒ with the following variations and additional terms:

Date: _____

Signature of
❒ Judge ❒ Master

Schedule "A"

No._____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 291 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT OF ICANIC BRANDS COMPANY INC. AND INVOLVING LEEF HOLDINGS, INC., PALEO PAY CORP. DBA LEEF ORGANICS, PAYNE'S DISTRIBUTION LLC, DBA LEEF DISTRIBUTION, SEVEN ZERO SEVEN LLC, DBA LEEF LABS, WILLITS RETAIL, LLC, EC RETAIL LLC, ANDERSON DEVELOPMENT SB, LLC., LEEF MANAGEMENT, LLC, PREFERRED BRAND LLC, DE KROWN ENTERPRISES LLC, 1200665 B.C. LTD., 1127466 B.C. LTD., THC ENGINEERING HOLDINGS LLC, X-SPRAY INDUSTRIES INC., THC ENGINEERING LLC, and AYA BIOSCIENCES, INC.

ICANIC BRANDS COMPANY INC.

PETITIONER

ORDER MADE AFTER APPLICATION (FINAL ORDER)

BEFORE THE HONOURABLE _____	)	MONDAY, THE 15TH DAY OF
	)	AUGUST, 2022
	)	

ON THE APPLICATION of the Petitioner, Icanic Brands Company Inc. ("**Icanic**" or the "**Petitioner**"), dated June 30, 2022, coming on for hearing at Vancouver, British Columbia on August 15, 2022, and on hearing Daniel Shouldice, counsel for the Petitioner, and no one appearing on behalf of any holders (the "**Secured Debenture Holders**") of secured convertible debentures dated June 6, 2019 (the "**2019 Debentures**"), or any other interested party, although notice of this hearing was given to the Secured Debenture Holders and the directors and auditors of Icanic in accordance with the Interim Order of _____ in these proceedings made on July 8, 2022 (the "**Interim Order**"); AND UPON reading the Petition to the Court filed herein on June 30, 2022; AND UPON reading Affidavit #1 of Christopher Cherry, sworn July 6, 2022, and filed herein; AND UPON reading Affidavit #2 of Christopher Cherry, sworn _____, 2022, and filed herein;

AND UPON being satisfied that the Secured Debenture Holders approved the Plan of Arrangement

attached as Schedule "A" to this Order (the "**Plan of Arrangement**") in accordance with the terms of the Interim Order; AND UPON considering the fairness of the terms and conditions of the Arrangement (as defined below) and the transactions contemplated thereunder and the rights and interests of the persons affected thereby; AND UPON finding that the terms and conditions of the Arrangement and the transactions contemplated thereunder are procedurally and substantively fair and reasonable to the Secured Debenture Holders;

AND UPON BEING ADVISED by counsel for the Petitioner that the declaration by this Court of the fairness of and approval of the Arrangement (as defined below) contemplated in the Plan of Arrangement will serve as the basis of a claim to an exemption, pursuant to section 3(a)(10) of the *United States Securities Act of 1933*, as amended, from the registration requirements of that statute for the issuance and exchange of securities contemplated in connection with the Plan of Arrangement;

THIS COURT ORDERS THAT:

DEFINITIONS

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan of Arrangement, and if not defined in the Plan of Arrangement, in the Interim Order.

SERVICE

2. There has been good and sufficient service, delivery and notice of this Application, the Petition, the Interim Order, the Meeting, the Meeting Materials and the Plan of Arrangement, as applicable, to all Persons upon which service, delivery and notice were required by the terms of the Interim Order and the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**").

FINAL ORDER

3. Pursuant to section 291(4)(c) of the BCBCA,

   (a) the Court is satisfied the Petitioner has acted, and are acting, in good faith with due diligence, and have complied with the provisions of the BCBCA and the Interim Order in all respects; and

(b) the terms and conditions of the arrangement (the "**Arrangement**"), more particularly described in the Plan of Arrangement Holders are procedurally and substantively fair and reasonable.

4. The Arrangement proposed by Icanic as provided in the Plan of Arrangement be and the same is hereby approved pursuant to the provisions of section 291(4) of the BCBCA.

5. As of the Effective Date, and as at the times and in the sequences set forth in the Plan of Arrangement, the Plan of Arrangement and all associated steps and transactions shall be binding and effective as set out in the Plan of Arrangement, and on the terms and conditions set forth in this Order, upon the Icanic Parties, the Secured Debenture Holders, the Released Parties, the directors and officers of the Icanic Parties and all other Persons named or referred to in, or subject to, the Plan of Arrangement.

6. From and after the Effective Date:

(a) all Persons shall be deemed to have waived any and all defaults or events of default or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to, arising out of, or in connection with, the 2019 Debentures, the 2019 Debentures Documents, the Support Agreement, the Arrangement, the Plan of Arrangement, the transactions contemplated in the Plan of Arrangement and any proceedings commenced with respect to or in connection with the Plan of Arrangement and any and all amendments or supplements thereto;

(b) any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection with any of the matters noted in paragraph 6(a) shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Icanic Parties and their respective successors from performing their obligations under the Plan of Arrangement; and

(c) any conflict between the provisions of any agreement or other arrangement, written or oral, existing between such Person and the Icanic Parties and the provisions of the Plan of Arrangement, are deemed to be governed by the terms, conditions and provisions of the Plan of Arrangement and this Order, which shall take precedence

and priority and the provisions of such agreement or other arrangement are deemed to be amended accordingly.

7. From and after the Effective Date, at the time and in the sequence, as applicable, set forth in the Plan of Arrangement, the releases set forth in Article 5 of the Plan of Arrangement shall be binding and effective as set out in the Plan of Arrangement.

8. The transactions contemplated by and to be implemented pursuant to the Plan of Arrangement shall not be void or voidable under federal or provincial law and shall not constitute and shall not be deemed to be preferences, assignments, fraudulent conveyances, transfers at undervalue, or other reviewable transactions under any applicable federal or provincial legislation relating to preferences, assignments, fraudulent conveyances or transfers at undervalue.

9. This Order will serve as the basis of a claim to an exemption, pursuant to section 3(a)(10) of the *United States Securities Act of 1933*, as amended, from the registration requirements otherwise imposed by that act, regarding the issuance and exchange of securities of Icanic pursuant to the Plan of Arrangement.

VARIANCE

10. The Petitioner is at liberty to apply to this Honourable Court to vary the Final Order or for advice and direction with respect to the Plan of Arrangement or any other matter related to the Interim Order or Final Order.

11. Endorsement of this Order by counsel appearing on this application other than counsel for the Petitioners is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS FINAL ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

_____

Signature of lawyer for the Petitioner
Daniel Shouldice

BY THE COURT

_____

REGISTRAR

APPENDIX "C" – INTERIM ORDER

(see attached)

No. S225354
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 291 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT OF ICANIC BRANDS COMPANY INC. AND INVOLVING LEEF HOLDINGS, INC., PALEO PAY CORP. DBA LEEF ORGANICS, PAYNE'S DISTRIBUTION LLC, DBA LEEF DISTRIBUTION, SEVEN ZERO SEVEN LLC, DBA LEEF LABS, WILLITS RETAIL, LLC, EC RETAIL LLC, ANDERSON DEVELOPMENT SB, LLC., LEEF MANAGEMENT, LLC, PREFERRED BRAND LLC, DE KROWN ENTERPRISES LLC, 1200665 B.C. LTD., 1127466 B.C. LTD., THC ENGINEERING HOLDINGS LLC, X-SPRAY INDUSTRIES INC., THC ENGINEERING LLC, and AYA BIOSCIENCES, INC.

ICANIC BRANDS COMPANY INC.

PETITIONER

INTERIM ORDER MADE AFTER APPLICATION

BEFORE MASTER VOS.) FRIDAY, THE 8TH DAY OF
) JULY, 2022
)

ON THE APPLICATION of the Petitioner, Icanic Brands Company Inc. ("**Icanic**") for an Interim Order pursuant to its Petition filed on June 30, 2022 without notice coming on for hearing at Vancouver, British Columbia on July 8, 2022 and on hearing Daniel Shouldice, counsel for the Petitioner, and upon reading the Notice of Application filed herein, and Affidavit #1 of Christopher Cherry, sworn July 6, 2022, and filed herein (the "**Cherry Affidavit**");

THIS COURT ORDERS THAT:

Definitions

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the Notice of Meeting of Secured Debenture Holders (as defined below) and Information Circular of Icanic (collectively, the "**Circular**") attached as **Exhibit "A"** to the Cherry Affidavit.

Meeting

2. Pursuant to Sections 186, 288, 289, 290 and 291 of the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the "**BCBCA**"), Icanic is authorized and directed to call, hold and conduct a meeting of the holders (the "**Secured Debenture Holders**") of secured convertible debentures dated June 6, 2019 (the "**2019 Debentures**") to be held at 10:00 a.m. (Vancouver time) on August 8, 2022 at the offices of McMillan LLP at Suite 1500, Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia (the "**Meeting**") to, among other things:

(a) consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") of the Secured Debenture Holders approving an arrangement (the "**Arrangement**") under Division 5 of Part 9 of the BCBCA, the full text of which is set forth in Appendix "A" to the Circular; and

(b) transact such further and other business, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof.

3. The Meeting will be called, held and conducted in accordance with the BCBCA, the terms of the 2019 Debentures and the Circular, subject to the terms of this Interim Order and any further order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order. To the extent that there is any inconsistency between this Interim Order and the terms of any of the foregoing, this Interim Order will govern.

Adjournment

4. Notwithstanding the provisions of the BCBCA and the terms of the 2019 Debentures, Icanic, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Secured Debenture Holders respecting such adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements will be given by news release, newspaper advertisement, or by notice sent to Secured Debenture Holders by one of the methods specified in paragraph 10 of this Interim Order.

5. The Record Date (as defined in paragraph 8 below) will not change in respect of any adjournments or postponements of the Meeting.

Amendments

6. Prior to the Meeting, Icanic is authorized to make such amendments, revisions or supplements to the proposed Arrangement and the Plan of Arrangement, without any additional notice to the Secured Debenture Holders, and the Arrangement and Plan of Arrangement as so amended, revised and supplemented, will be the Arrangement and Plan of Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

7. If any amendments, revisions or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 6 above, would, if disclosed, reasonably be expected to affect a Secured Debenture Holder's decision to vote for or against the Arrangement Resolution, notice of such amendment, revision or supplement shall be distributed, subject to further order of this Court, by news release, newspaper advertisement, or by notice sent to Secured Debenture Holders by one of the methods specified in paragraph 10 of this Interim Order.

Record Date

8. The record date for determining the Secured Debenture Holders entitled to receive notice of, attend and vote at the Meeting will be close of business (Vancouver time) on June 27, 2022 (the "**Record Date**"), or such other date as the directors of Icanic may determine in accordance with the 2019 Debentures, the BCBCA, or as disclosed in the Meeting Materials (defined below).

Notice of Meeting

9. The Meeting Materials (defined below) are hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and Icanic will not be required to send to the Secured Debenture Holders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.

10. The Circular, the form of proxy, and the Notice of Hearing of Petition in the form appended to the Circular (collectively referred to as the "**Meeting Materials**"), in substantially the same form as contained in Exhibits "A" and "B" to the Cherry Affidavit, with such deletions, amendments or additions thereto as counsel for Icanic may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, will be sent to:

(a) the Secured Debenture Holders as they appear on the records of Icanic or the records of its transfer agent as at the close of business on the Record Date, at least 21 days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:

(i) by prepaid ordinary or air mail addressed to the Secured Debenture Holders at their addresses as they appear in the applicable records of Icanic as at the Record Date;

(ii) by delivery in person or by courier to the addresses specified in paragraph 10 (a)(i) above; or

(iii) by email to any other Secured Debenture Holder who have previously identified himself, herself or itself to the satisfaction of Icanic acting through its representatives, and who requests such email, and then in accordance with such request; and

(b) the directors and auditors of Icanic by mailing the Meeting Materials by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal;

and substantial compliance with this paragraph will constitute good and sufficient notice of the Meeting.

11. Accidental failure of or omission by Icanic to give notice to any one or more Secured Debenture Holders or any other persons entitled thereto, or the non-receipt of such notice by one or more Secured Debenture Holders or any other persons entitled thereto, or any failure or omission to give such notice as a result of events beyond the reasonable control of Icanic (including, without limitation, any inability to use postal services), will not constitute a breach of this Interim Order or a defect in the calling of the Meeting, and will not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Icanic, then it will use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

12. Provided that notice of the Meeting is given and the Meeting Materials are provided to the Secured Debenture Holders in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the meeting

is waived. The Meeting Materials are hereby deemed to represent sufficient and adequate disclosure pursuant to section 290(1)(a) of the BCBCA and Icanic will not be required to send to the Secured Debenture Holders any other or additional information unless this Court orders otherwise.

Deemed Receipt of Notice

13. The Meeting Materials will be deemed, for the purposes of this Interim Order, to have been served upon and received:

(a) in the case of mailing pursuant to paragraph 10(a)(i) above, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(b) in the case of delivery in person pursuant to paragraph 10(a)(ii) above, the day following personal delivery or, in the case of delivery by courier, the day following delivery to the person's address in paragraph 10 above; and

(c) in the case of any means of transmitted, recorded or electronic communication pursuant to paragraph 10(a)(iii) above, on the day it was transmitted.

Updated Meeting Materials

14. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials may be communicated to the Secured Debenture Holders or other persons entitled thereto by news release, newspaper advertisement or by notice sent to the Secured Debenture Holders or other persons entitled thereto by any of the means set forth in paragraph 10 of this Interim Order, as determined to be the most appropriate method of communication by the Icanic Board.

Quorum and Voting

15. The quorum required at the Meeting will be the presence in person or by proxy of at least two persons who are, or who represent by proxy, Secured Debenture Holders who, in the aggregate, constitute at least five percent of the total principal amount of the 2019 Debentures entitled to vote at the Meeting.

16. The vote required to pass the Arrangement Resolution will be at least a majority in number, representing at least three-quarters in value, of the votes cast on the Arrangement Resolution by Secured Debenture Holders present in person or by proxy at the Meeting.

17. The only persons permitted to vote at the Meeting will be Secured Debenture Holders appearing on the records of Icanic as of the close of business (Vancouver time) on the Record Date and their valid proxy holders as described in the Circular and as determined by the Chair of the Meeting upon consultation with the Scrutineer (as hereinafter defined) and legal counsel to Icanic.

18. Each Secured Debenture Holder is entitled to one vote for each $1,000 of the principal amount of the 2019 Debentures on all matters to come before the Meeting, including the Arrangement Resolution.

Permitted Attendees

19. The only persons entitled to attend the Meeting will be (i) the Secured Debenture Holders or their respective proxyholders as of the Record Date, (ii) Icanic's directors, officers, auditors and advisors, (iii) any other person admitted on the invitation or with the consent of the directors or Chair of the Meeting.

Scrutineers

20. On or before the Meeting, Icanic may designate a person to be authorized to act as scrutineer for the Meeting (the "**Scrutineer**").

Solicitation of Proxies

21. Icanic is authorized to use the form of proxy in connection with the Meeting, in substantially the same form as attached as Exhibit "B" to the Cherry Affidavit. The procedure for the use of proxies at the Meeting will be as set out in the Meeting Materials, and Icanic may in its discretion waive generally the time limits for deposit of proxies by Secured Debenture Holders if Icanic deems it reasonable to do so, such waiver to be made in good faith. Icanic is authorized, at its expense, to solicit proxies, directly or through a soliciting dealer or proxy solicitation agent.

Application for Final Order

22. Upon the approval, with or without variation, by the Secured Debenture Holders of the Arrangement, in the manner set forth in this Interim Order, Icanic may apply to this Court for, *inter alia*, an order:

(a) pursuant to BCBCA Sections 291(4)(a) and 295, as applicable, approving the Arrangement; and

(b) pursuant to BCBCA Section 291(4)(c) declaring that the terms and conditions of the Arrangement, and the exchange of securities to be effected by the Arrangement, are procedurally and substantively fair and reasonable to those who will receive securities in the exchange (collectively, the "**Final Order**");

and the hearing of the Final Order will be held on August 15, 2022, at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as this Court may direct.

23. The form of Notice of Hearing of Petition attached to the Circular is hereby approved as the form of Notice of Proceedings for such approval. Any Secured Debenture Holder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, subject to the terms of this Interim Order.

24. Any Secured Debenture Holders seeking to appear at the hearing of the application for the Final Order must file and deliver a Response to Petition (a "**Response**") in the form prescribed by the *Supreme Court Civil Rules*, and a copy of all affidavits or other materials upon which they intend to rely, to the Petitioner's solicitors by or before 4:00 p.m. (Vancouver time) on August 11, 2022 at:

Icanic Brands Company Inc.
c/o McMillan LLP
1500 - 1055 West Georgia Street
Vancouver, British Columbia
V6E 4N7
Attention: Desmond Balakrishnan / Daniel Shouldice

25. Sending the Notice of Hearing of Petition and this Interim Order in accordance with paragraph 10 of this Interim Order will constitute good and sufficient service of this proceeding

and no other form of service need be made and no other material need be served on persons in respect of these proceedings. Icanic will make a copy of each of the Petition and the Cherry Affidavit available to any Secured Debenture Holder requesting such copy.

26. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response in accordance with this Interim Order need be provided with notice of the adjourned hearing date and any filed materials.

Variance

27. Icanic will be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.

28. To the extent of any inconsistency or discrepancy between this Interim Order and the Circular, the BCBCA, the 2019 Debentures, applicable securities laws or the articles of Icanic, this Interim Order will govern.

29. Rules 8-1 and 16-1(8) – (12) of the *Supreme Court Civil Rules* will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order, and any materials to be filed by Icanic in support of the application for the Final Order may be filed prior to the hearing of the application for the Final Order without further order of this Court.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS INTERIM ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of lawyer for the Petitioner
McMillan LLP
Daniel Shouldice

BY THE COURT

REGISTRAR

CHECKED

APPENDIX "D" – NEW DEBENTURE INDENTURE

(see attached)

CONVERTIBLE DEBENTURE INDENTURE

Made as of [●]

Between

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

and

ODYSSEY TRUST COMPANY
(the "**Trustee and Collateral Agent**")

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CONVERTIBLE DEBENTURE INDENTURE

(the "**Indenture**")

This Agreement is made as of [●], between

ICANIC BRANDS COMPANY INC.
a company existing under the laws of the province of British Columbia having its registered and records office in the City of Vancouver in the Province of British Columbia

(the "**Corporation**")

AND

ODYSSEY TRUST COMPANY
a trust company incorporated under the laws of the *Loan and Trust Corporations Act* (Alberta) with an office in the City of Calgary in the Province of Alberta (the "**Trustee and Collateral Agent**" or "**Odyssey**")

WHEREAS:

A. LEEF Holdings, Inc. ("**LEEF**") and Odyssey entered into a convertible debenture indenture dated June 6, 2019 (the "**2019 Debenture Indenture**") governing the issuance of 9.0% secured convertible debentures (the "**2019 Debentures**");

B. the Corporation acquired all of the issued and outstanding shares of LEEF on April 21, 2022 and assumed LEEF's obligations under the 2019 Debentures and the 2019 Debenture Indenture pursuant to a supplemental indenture entered into among the Corporation, LEEF, and Odyssey dated April 21, 2022;

C. the Corporation implemented an arrangement to restructure the 2019 Debentures under the 2019 Debenture Indenture, pursuant to a plan of arrangement dated [●] (the "**Plan of Arrangement**");

D. as a part of the Plan of Arrangement, the Corporation is entering into the Indenture to issue the Initial Debentures (as defined below) and any future Debentures (as defined below);

E. the Corporation, under the laws relating thereto, is duly authorized to create and issue the Debentures to be issued as herein provided;

F. when authenticated by the Trustee and Collateral Agent and issued in accordance with this Indenture, all necessary steps of the Corporation have been duly enacted, passed and/or confirmed and other necessary proceedings taken and conditions complied with to make the creation and issue of the Debentures proposed to be issued hereunder legal,

valid and binding on the Corporation in accordance with the laws relating to the Corporation; and

G. the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee and Collateral Agent.

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Trustee and Collateral Agent as the debenture and collateral agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become holders of Debentures issued pursuant to this Indenture and the parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

In this Indenture and in the Debentures, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings:

(1) **"90% Redemption Right"** has the meaning ascribed thereto in Section 2.5(8)(b);

(2) **"Arrangement"** has the meaning set forth in the Plan of Arrangement;

(3) **"Additional Amounts"** has the meaning ascribed to it in Section 7.11.

(4) **"Additional Debentures"** means Debentures of any one or more series issued under this Indenture, other than the Initial Debentures;

(5) **"Affiliate"** means of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding anything to the contrary herein, the determination of whether one Person is an "Affiliate" of another Person for purposes of this Indenture shall be made based on the facts at the time such determination is made or required to be made, as the case may be, hereunder;

(6) **"Applicable Securities Legislation"** means applicable securities laws (including rules, regulations, policies and instruments) in each of the applicable provinces and territories of Canada;

(7) **"Auditors of the Corporation"** means an independent firm of chartered accountants duly appointed as auditors of the Corporation;

(8) **"Authenticated"** means with respect to the issuance of certificated Debentures, one which has been authenticated by manual signature of an authorized officer of the Trustee and Collateral Agent and the terms "**Authenticate**", "**Authenticating**" and "**Authentication**" have meanings correlative to the foregoing;

(9) **"Beneficial Holder"** means any Person who holds a beneficial interest in a Debenture that is represented by a Debenture Certificate or an Uncertificated Debenture registered in the name of such person's nominee;

(10) "**Board of Directors"** means the board of directors of the Corporation;

(11) **"Book Based Only Debentures"** means Debentures issued under this Indenture in non-certificated form which are held only by way of book based (electronic) register maintained by the Trustee and Collateral Agent;

(12) **"Business Day"** means any day other than a Saturday, Sunday or any other day that the Trustee and Collateral Agent in Vancouver, British Columbia, Calgary, Alberta or Toronto, Ontario is not generally open for business;

(13) **"C$"** means the lawful currency of Canada;

(14) **"Capital Stock"** means, for any entity, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that entity;

(15) **"CSE"** means the Canadian Securities Exchange;

(16) **"Change of Control"** means: (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Corporation. A Change of Control will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity;

(17) **"Change of Control Notice"** has the meaning ascribed thereto in Section 2.5(8);

(18) **"Change of Control Offer"** has the meaning ascribed thereto in Section 2.5(8);

(19) **"Change of Control Purchase Date"** has the meaning ascribed thereto in Section 2.5(8);

(20) **"Collateral"** has the meaning given to it in the Security Agreement;

(21) **"Common Shares"** means the common shares in the capital of the Corporation, as such common shares are constituted on the date of execution and delivery of this Indenture;

provided that in the event of a change or a subdivision, revision, reduction, combination or consolidation thereof, any reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up, or such successive changes, subdivisions, redivisions, reductions, combinations or consolidations, reclassifications, capital reorganizations, consolidations, amalgamations, arrangements, mergers, sales or conveyances or liquidations, dissolutions or windings-up;

(22) **"Conversion Price"** means the dollar amount for which each Unit may be issued upon the conversion of Debentures or any series of Debentures which are by their terms convertible in accordance with the provisions of Article 6;

(23) **"Corporation"** means Icanic Brands Company Inc. and includes any successor to or of the Corporation which shall have complied with the provisions of Article 10;

(24) **"Counsel"** means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee and Collateral Agent or retained or employed by the Corporation and reasonably acceptable to the Trustee and Collateral Agent;

(25) **"Current Market Price"** means, generally, the VWAP of the Common Shares on the CSE if the Common Shares are listed on the CSE, for the five consecutive trading days ending on the trading day preceding the applicable date. If the Common Shares are not listed on the CSE, reference shall be made for the purpose of the above calculation to the principal securities exchange or market on which the Common Shares are listed or quoted or if no such prices are available

(26) **"Date of Conversion"** has the meaning ascribed thereto in Section 6.4(2);

(27) **"Debenture Certificate"** means a certificate evidencing Debentures substantially in the form attached as Schedule A hereto;

(28) **"Debentureholders"** or **"holders"** means the Persons for the time being entered in the register for Debentures as registered holders of Debentures or any transferees of such Persons by endorsement or delivery;

(29) **"Debentures"** means the debentures, notes or other evidence of indebtedness of the Corporation issued and certified hereunder, or deemed to be issued and certified hereunder, including, without limitation, the Initial Debentures, and for the time being outstanding, whether in definitive, uncertificated or interim form;

(30) "**deemed year**" has the meaning ascribed thereto in Section 2.12(2).

(31) **"Defeased Debentures"** has the meaning ascribed thereto in Section 9.6(2);

(32) **"Depository" or "CDS"** means CDS Clearing and Depository Services Inc. and its successors in interest;

(33) **"Depository Participants"** means a broker, dealer, bank, other financial institution or other Person for whom, from time to time, a Depository effects book entries for a Global Debenture deposited with the Depository**;**

(34) **"Distributed Securities"** has the meaning ascribed to it in Section 6.5(d);

(35) "**DRS**" means the direct registration system of the Trustee and Collateral Agent;

(36) **"Event of Default"** has the meaning ascribed thereto in Section 8.1;

(37) **"Expiration Date"** has the meaning ascribed to it in Section 6.5(e);

(38) **"Expiration Time"** has the meaning ascribed to it in Section 6.5(e);

(39) **"Extraordinary Resolution"** has the meaning ascribed thereto in Section 11.12;

(40) **"Global Debenture"** means a Debenture that is issued to and registered in the name of the Depository for the purpose of being held by or on behalf of the Depository as custodian for participants in the Depository's book-entry only registration system or non-certificated inventory system;

(41) **"Guarantee"** means the guarantee dated on or about the date hereof amongst the Guarantors, the Trustee and Collateral Agent, as amended, modified, supplemented, restated or replaced from time to time.;

(42) **"Guarantors"** means each of the Corporation, Leef Holdings, Inc., Paleo Pay Corp. d/b/a Leef Organics, Payne's Distribution LLC d/b/a Leef Distribution, Seven Zero Seven LLC d/b/a Leef Labs, Willits Retail, LLC, EC Retail LLC, Anderson Development SB, LLC, Leef Management, LLC, Preferred Brand LLC, de Krown Enterprises LLC, 1200665 B. C. Ltd, 1127466 B. C. Ltd., THC Engineering Holdings LLC, X-Spray Industries Inc., THC Engineering LLC and AYA Biosciences, Inc;

(43) **"IFRS"** means International Financial Reporting Standards issued by the International Accounting Standards Board (including as further described in Section 1.16);

(44) **"Indenture Documents"** means this Indenture, the supplemental indentures, the Security Documents and all other certificates, instruments, notices, agreements and documents delivered or to be delivered pursuant to this Indenture or the Security Documents, each as amended, modified, supplemented, restated or replaced from time to time;

(45) **"Initial Closing Date"** means the effective date of the Arrangement;

(46) **"Initial Debentures"** means the Debentures designated as "11.0% Secured Convertible Debentures" and described in Section 2.5;

(47) **"Interest Payment Date"** means a date specified in a Debenture as the date on which interest on such Debenture shall become due and payable;

(48) **"Internal Procedures"** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register of Debentureholders at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Trustee and Collateral Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed by the time by the Trustee and Collateral Agent, it being understood that neither preparation and issuance shall constitute part of such procedures for any purpose of this definition;

(49) **"issuer bid"** has the meaning ascribed to it in Section 6.5(e);

(50) **"Lien"** means with respect to any Person, any mortgage, charge, pledge, lien, assignment, hypothecation, privilege, title retention arrangement, security interest, arrangement having the same or equivalent commercial effect as a grant of security interest or other encumbrance of any nature or kind and howsoever created or arising (including by operation of law), in respect of such Person's property or asset, or any agreement or arrangement to grant, create or give any of the foregoing;

(51) **"Material Subsidiary"** means any Subsidiary of the Corporation which has consolidated assets equal to or greater than 10% of the consolidated assets of the Corporation and its Subsidiaries;

(52) **"Maturity Account"** means an account or accounts required to be established by the Corporation (and which shall be maintained by and subject to the control of the Trustee and Collateral Agent) for each series of Debentures issued pursuant to and in accordance with this Indenture;

(53) **"Maturity Date"** has the meaning ascribed thereto in Section 2.5(2);

(54) **"NI 62-104"** means National Instrument 62-104 — *Take-Over Bids and Issuer Bids*;

(55) **"Offer Price"** has the meaning ascribed thereto in Section 2.5(8);

(56) **"Officer's Certificate"** means a certificate of the Corporation signed by any authorized officer or director of the Corporation, in their capacity as an officer or director of the Corporation, and not in their personal capacity;

(57) **"Participant"** means a Person recognized by CDS as a participant in the non-certificated inventory system administered by CDS;

(58) **"Periodic Offering"** means an offering of Debentures of a series from time to time, the specific terms of which Debentures, including, without limitation, the rate or rates of interest, if any, thereon, the stated maturity or maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Corporation upon the issuance of such Debentures from time to time;

(59) **"Permitted Liens"** means any of the following:

(a) Liens for taxes, assessments or governmental charges or levies that are not yet due or that if due are being contested or litigated in good faith and with respect to which an adequate reserve has been taken in accordance with generally accepted accounting principles;

(b) undetermined or inchoate Liens, rights of distress and charges incidental to current operations which have not at such time been filed or exercised and of which the Trustee and Collateral Agent has not been given notice, or which relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings;

(c) any Lien resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, employment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;

(d) any Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings;

(e) Liens granted pursuant to the Security Documents;

(f) Liens and renewals thereof to secure payment of the purchase price or the repayment of monies borrowed to pay the purchase price of any property or properties hereafter acquired by the Corporation in the ordinary course of its business;

(g) Liens granted in respect of other indebtedness of the Corporation that is expressly subordinated to the obligations under the Indenture Documents or otherwise subject to the terms of an intercreditor agreement in form and substance satisfactory to the Trustee and Collateral Agent;

(h) any other Lien consented to in writing by the Trustee and Collateral Agent;

(60) **"Person"** includes an individual, corporation, company, partnership, joint venture, association, trust, Trustee and Collateral Agent, unincorporated organization or government or any agency or political subdivision thereof (and for the purposes of the definition of **"Change of Control"**, in addition to the foregoing, **"Person"** shall include any syndicate or group that would be deemed to be a **"Person"** under NI 62-104);

(61) **"Plan of Arrangement"** means the plan of arrangement dated [●] and any amendments or variations made thereto as of the date on which the Debentures are issued, in each case

made in accordance with the Plan of Arrangement at the direction of the Supreme Court of British Columbia;

(62) **"Purchased Common Shares"** has the meaning ascribed to it in Section 6.5(f);

(63) **"Qualified Institutional Buyer"** means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act;

(64) **"Qualified Institutional Buyer Letter"** means a letter substantially in the form attached as Schedule F to this Indenture;

(65) **"Recognized Stock Exchange"** means a stock exchange recognized by the British Columbia Securities Commission under the *Securities Act* (British Columbia);

(66) **"Redemption Date"** has the meaning ascribed to it in Section 4.3;

(67) **"Redemption Notice"** has the meaning ascribed to it in Section 4.3;

(68) **"Redemption Price"** means, in respect of a Debenture being redeemed in accordance with the terms of Article 4, the amount payable by the Corporation for such Debenture on the relevant Redemption Date in accordance with this Indenture;

(69) "**Regulation S"** means Regulation S adopted by the SEC under the U.S. Securities Act;

(70) **"Restricted Debentures"** means collectively the Restricted Uncertificated Debentures and Restricted Physical Debentures;

(71) **"Restricted Physical Debenture"** means a definitive Debenture that bears the U.S. Legend;

(72) **"Restricted Uncertificated Debenture"** means an Uncertificated Debenture that is marked to bear the U.S. Legend;

(73) **"Restricted Security Agreements"** – has the meaning ascribed thereto in Schedule F;

(74) **"SEC"** means the United States Securities and Exchange Commission;

(75) **"Section 3(a)(10) Exemption"** means the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act;

(76) **"Security Agreement"** means the general security agreement dated on or about the date hereof between the Corporation and the Trustee and Collateral Agent and Collateral Agent, as amended, modified, supplemented, restated or replaced from time to time;

(77) **"Security Documents"** means, collectively, (a) the Guarantee, (b) the Security Agreement, and (c) all such other agreements, instruments and documents that may

reasonably be required to ensure that the Trustee and Collateral Agent has a first ranking Lien on the Collateral (subject to Permitted Liens).

(78) **"Securities"** has the meaning ascribed thereto in Section 2.15(1);

(79) **"Serial Meeting"** has the meaning ascribed thereto in Section 11.2(2)(a);

(80) **"Subsidiary"** has the meaning ascribed thereto in the *Securities Act* (British Columbia);

(81) **"Tax Act"** means the *Income Tax Act* (Canada), as amended, and the rules and regulations promulgated thereunder;

(82) **"this Indenture"**, **"hereto"**, **"herein"**, **"hereby"**, **"hereunder"**, **"hereof"** and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

(83) **"Time of Expiry"** means the time of expiry of certain rights with respect to the conversion of Debentures under Article 6 which is to be set forth separately in the form and terms for each series of Debentures which by their terms are to be convertible, and has the meaning ascribed thereto in Section 2.5(6) with respect to the Initial Debentures;

(84) **"trading day"** means, with respect to the CSE or other market for securities, any day on which such exchange or market is open for trading or quotation;

(85) **"Trustee and Collateral Agent"** means Odyssey Trust Company, or its successor or successors for the time being as Trustee and Collateral Agent hereunder;

(86) **"United States"** or **"U.S."** means, as the context requires, the United States of America, its territories and possessions, any state of the United States, or any political subdivision thereof, and/or the District of Columbia;

(87) **"Uncertificated Debenture"** means any Debenture which is not issued as part of a Debenture Certificate which includes, but is not limited to, any Debenture held through DRS;

(88) **"Unit"** means the unit issuable upon conversion of the Debentures, with each Unit comprised of a Common Share and a Warrant;

(89) **"Unrestricted Physical Debenture"** means a definitive Debenture that does not bear the U.S. Legend;

(90) **"Unrestricted Uncertificated Debenture"** means a Debenture that is not marked to bear the U.S. Legend;

(91) **"U.S. Legend"** has the meaning ascribed thereto in Section 2.15;

(92) **"U.S. Person"** means a "U.S. person" within the meaning of Rule 902(k) of Regulation S;

(93) **"U.S. Purchaser"** means (a) any U.S. Person that purchased Debentures, (b) any person that purchased Debentures on behalf of any U.S. Person or any person in the United States, (c) any purchaser of Debentures that received an offer for the Debentures while in the United States, (d) any person that was in the United States at the time the purchaser's buy order was made or the subscription agreement for Debentures was executed or delivered;

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

(95) **"U.S. Securities Exchange Act"** means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

(96) **"VWAP"** means the per share volume weighted average trading price of the Common Shares for the applicable period (which must be calculated utilizing days in which the Common Shares actually trade) on the CSE (or if the Common Shares are no longer traded on the CSE, on such other exchange as the Common Shares are then traded);

(97) **"Withholding Taxes"** has the meaning ascribed to it in Section 7.11; and

(98) **"Written Direction of the Corporation"** means an instrument in writing signed by any one officer or director of the Corporation.

(99) **"Warrant"** means a Common Share purchase warrant comprising part of a Unit, exercisable at a price of C$0.15 per Common Share for a period of 24 months from the date of issuance;

(100) **"Warrant Indenture"** means the warrant indenture entered into by the Corporation and the Trustee and Collateral Agents of the date hereof, governing the Warrants;

Section 1.2 Meaning of "Outstanding"

Every Debenture certified and delivered by the Trustee and Collateral Agent or every Uncertificated Debenture Authenticated by the Trustee and Collateral Agent by completing its Internal Procedures hereunder shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Trustee and Collateral Agent for cancellation, conversion or redemption for Common Shares, as the case may be, or the payment thereof shall have been set aside under Section 9.2, provided that:

(a) Debentures which have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the principal amount thereof;

(b) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and

(c) for the purposes of any provision of this Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Debentureholders, Debentures owned directly or indirectly, legally or equitably, by the Corporation shall be disregarded except that:

(i) for the purpose of determining whether the Trustee and Collateral Agent shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the holders of Debentures present or represented at any meeting of Debentureholders, only the Debentures which the Trustee and Collateral Agent knows are so owned shall be so disregarded; and

(ii) Debentures so owned which have been pledged in good faith other than to the Corporation shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee and Collateral Agent the pledgee's right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in its discretion free from the control of the Corporation or a Subsidiary of the Corporation.

Section 1.3 Interpretation

In this Indenture:

(a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;

(b) all references to Articles and Schedules refer, unless otherwise specified, to articles of and schedules to this Indenture;

(c) all references to Sections, subsections or clauses refer, unless otherwise specified, to Sections, subsections or clauses of this Indenture;

(d) words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them;

(e) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;

(f) unless otherwise indicated, reference to a statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time; and

(g) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated by including the day on which the period commences and excluding the day on which the period ends.

Section 1.4 Headings, etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Debentures.

Section 1.5 Time of Essence

Time shall be of the essence of this Indenture.

Section 1.6 Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of the United States of America unless otherwise expressed.

Section 1.7 Invalidity, etc.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

Section 1.8 Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating hereto, including, without limiting the generality of the foregoing, the schedules to this Indenture, be drawn up in the English language only.

Section 1.9 Successors and Assigns

All covenants and agreements of the Corporation in this Indenture and the Debentures shall bind its successors and assigns, whether so expressed or not. All covenants and agreements of the Trustee and Collateral Agent in this Indenture shall bind its successors.

Section 1.10 Severability

In case any provision in this Indenture or in the Debentures shall be invalid, illegal or unenforceable, such provision shall be deemed to be severed herefrom or therefrom and the validity, legality and enforceability of the remaining provisions shall not in any way be affected, prejudiced or impaired thereby.

Section 1.11 Entire Agreement

This Indenture and all supplemental indentures and Schedules hereto and thereto, and the Debentures issued hereunder and thereunder, together constitute the entire agreement between the parties hereto with respect to the indebtedness created hereunder and thereunder and under the Debentures and supersedes as of the date hereof all prior memoranda, agreements, negotiations, discussions and term sheets, whether oral or written, with respect to the indebtedness created hereunder or thereunder and under the Debentures.

Section 1.12 Benefits of Indenture

Nothing in this Indenture or in the Debentures, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any paying agent, the holders of Debentures and (to the extent provided in Section 8.11) the holders of Common Shares, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.13 Applicable Law and Attornment

This Indenture, any supplemental indenture and the Debentures shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts, with respect to any suit, action or proceedings relating to this Indenture, any supplemental indenture or any Debenture, the Corporation, the Trustee and Collateral Agent and each holder irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

Section 1.14 Currency of Payment

Unless otherwise indicated in a supplemental indenture with respect to any particular series of Debentures, all payments to be made under this Indenture or a supplemental indenture shall be made in United States dollars.

Section 1.15 Non-Business Days

Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other action shall be taken, as the case may be, unless otherwise specifically provided herein, on or as of the next succeeding Business Day.

Section 1.16 Accounting Terms

Except as hereinafter provided or as otherwise indicated in this Indenture, all calculations required or permitted to be made hereunder pursuant to the terms of this Indenture shall be made in accordance with IFRS. For greater certainty, IFRS shall include any accounting standards that

may from time to time be approved for general application by the Canadian Institute of Chartered Accountants.

Section 1.17 Calculations

The Corporation shall be responsible for making all calculations called for hereunder including, without limitation, calculations of Current Market Price. The Corporation shall make such calculations in good faith and, absent manifest error, the Corporation's calculations shall be final and binding on holders and the Trustee and Collateral Agent. The Corporation will provide a schedule of its calculations to the Trustee and Collateral Agent and the Trustee and Collateral Agent shall be entitled to rely conclusively on the accuracy of such calculations without independent verification.

Section 1.18 No Deemed Subordination

Notwithstanding anything to the contrary contained herein (including any provision for, reference to, or acknowledgement of, any Lien or Permitted Lien), nothing herein and no approval by the Trustee and Collateral Agent or any holder of Debentures of any Lien or Permitted Lien (whether such approval is oral or in writing) shall be construed as or deemed to constitute a subordination by the Trustee and Collateral Agent or any holder of Debentures of any security interest or other right or interest in or to the Collateral or any part thereof in favour of any Lien or Permitted Lien or any holder of any Lien or Permitted Lien.

Section 1.19 Schedules

(1) The following Schedules are incorporated into and form part of this Indenture:

Schedule A – Form of Debenture

Schedule B – Form of Redemption Notice

Schedule C – Form of Notice of Conversion

Schedule D – [Intentionally Deleted]

Schedule E – Form of Certificate of Transfer

Schedule F – Form of Certificate of Exchange

Schedule G – Form of Qualified Institutional Buyer Letter

Schedule H – Form of Warrant Indenture

(2) In the event of any inconsistency between the provisions of any Section of this Indenture and the provisions of the Schedules which form a part hereof, the provisions of this Indenture shall prevail to the extent of the inconsistency.

ARTICLE 2 – THE DEBENTURES

Section 2.1 Issue of Global Debentures

(1) The Corporation may specify that the Debentures are to be issued in whole or in part as one or more Global Debentures, that may or may not be Debenture Certificates or Book Based Only Debentures, registered in the name of a Depository, or its nominee, designated by the Corporation in the Written Direction of the Corporation delivered to the Trustee and Collateral Agent at the time of issue of such Debentures, and in such event the Corporation shall execute and the Trustee and Collateral Agent shall certify and deliver one or more Global Debentures that are not Debenture Certificates or Book Based Only Debentures that shall:

(a) represent an aggregate amount equal to the principal amount of the outstanding Debentures to be represented by one or more Global Debentures;

(b) be released by the Trustee and Collateral Agent as instructed by the Corporation for further delivery to such Depository or pursuant to such Depository's instructions; and

(c) bear a legend substantially to the following effect, or as may otherwise be required by the Depositary:

> "THIS DEBENTURE IS A GLOBAL DEBENTURE WITHIN THE MEANING OF THE INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS DEBENTURE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR DEBENTURES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE TRUST INDENTURE DATED AS OF THE [●] DAY OF [●] BETWEEN ICANIC BRANDS COMPANY INC. AND ODYSSEY TRUST COMPANY (THE "**INDENTURE**"). EVERY DEBENTURE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS DEBENTURE SHALL BE A GLOBAL DEBENTURE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.
>
> UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO ICANIC BRANDS COMPANY INC. OR ITS AGENT FOR REGISTRATION OF

TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

(2) Each Depository designated for a Global Debenture must, at the time of its designation and at all times while it serves as such Depository, be a clearing agency registered or designated under the Applicable Securities Legislation of the jurisdiction where the Depository has its principal offices.

Section 2.2 Limit of Debentures

The aggregate principal amount of Debentures authorized to be issued under this Indenture is $16,500,000, subject to increase at the sole discretion of the Board of Directors, but Debentures may be issued only upon and subject to the conditions and limitations herein set forth.

Section 2.3 Terms of Debentures of any Series

(1) The Debentures may be issued in one or more series. There shall be established herein or in or pursuant to one or more indentures supplemental hereto, prior to the initial issuance of Debentures of any particular series:

(a) the designation of the Debentures of the series (which need not include the term "Debentures"), which shall distinguish the Debentures of the series from the Debentures of all other series;

(b) any limit upon the aggregate principal amount of the Debentures of the series that may be certified and delivered under this Indenture (except for Debentures certified and delivered upon registration of, transfer of, amendment of, or in exchange for, or in lieu of, other Debentures of the series pursuant to Section 2.10, Section 2.11, Section 3.1, Section 3.6 and Article 6;

(c) the date or dates on which the principal of the Debentures of the series is payable;

(d) the rate or rates at which the Debentures of the series shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which record date, if any, shall be taken for the determination of holders to whom such interest shall be payable and/or the method or methods by which such rate or rates or date or dates shall be determined;

(e) the place or places where the principal of and any interest on Debentures of the series shall be payable or where any Debentures of the series may be surrendered for registration of transfer or exchange;

(f) the right, if any, of the Corporation to redeem Debentures of the series, in whole or in part, at its option and the period or periods within which, the price or prices at which and any terms and conditions upon which, Debentures of the series may be so redeemed;

(g) the obligation, if any, of the Corporation to redeem, purchase or repay Debentures of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which, the period or periods within which, the date or dates on which, and any terms and conditions upon which, Debentures of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;

(h) if other than denominations of $1,000 and any integral multiple thereof, the denominations in which Debentures of the series shall be issuable;

(i) subject to the provisions of this Indenture, any trustee, depositories, authenticating or paying agents, transfer agents or registrars or any other agents with respect to the Debentures of the series;

(j) any events of default or covenants with respect to the Debentures of the series;

(k) whether and under what circumstances the Debentures of the series will be convertible into or exchangeable for securities of any Person;

(l) the form and terms of the Debentures of the series;

(m) if applicable, that the Debentures of the series shall be issuable in certificated or uncertificated form;

(n) if other than United States currency, the currency in which the Debentures of the series are issuable; and

(o) any other terms of the Debentures of the series (which terms shall not be inconsistent with the provisions of this Indenture).

(2) All Debentures of any one series shall be substantially identical, except as may otherwise be established herein or by or pursuant to a resolution of the Board of Directors, Officer's Certificate or in an indenture supplemental hereto. All Debentures of any one series need not be issued at the same time and may be issued from time to time, including pursuant to a Periodic Offering, consistent with the terms of this Indenture, if so provided herein, by or pursuant to such resolution of the Board of Directors, Officer's Certificate or in an indenture supplemental hereto.

Section 2.4 Form of Debentures

(1) Except in respect of the Initial Debentures, the form of which is provided for herein, the Debentures of each series shall be substantially in such form or forms (not inconsistent with this Indenture) as shall be established herein or by or pursuant to one or more resolutions of the Board of Directors (or to the extent established pursuant to, rather than set forth in, a resolution of the Board of Directors, in an Officer's Certificate detailing such establishment) or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform to general usage, all as may be determined by the directors or officers of the Corporation executing such Debentures on behalf of the Corporation, as conclusively evidenced by their execution of such Debentures.

Section 2.5 Form and Terms of Initial Debentures

(1) The first series of Debentures (the "**Initial Debentures**") authorized for issue immediately is limited to an aggregate principal amount of up to $16,500,000 and shall be designated as "11.0% Secured Convertible Debentures".

(2) The Initial Debentures shall be dated as of the Initial Closing Date and shall mature on [**date that is 24 months from the date of the Arrangement**] (the "**Maturity Date**" for the Initial Debentures).

(3) The Initial Debentures shall bear interest from the date of issue at the rate of 11.0% per annum (based on a year of 360 days composed of twelve 30-day months), payable at the Maturity Date. Interest payments will be satisfied by the Corporation in cash.

(4) The Initial Debentures will not be redeemable prior to the Maturity Date except in the event of a Change of Control pursuant to the 90% Redemption Right, as provided in Section 2.5(8)(b). The Redemption Notice for the Initial Debentures shall be substantially in the form of Schedule B. Any redemption or notice of redemption may, at the Corporation's option, be subject to the following conditions precedent: (i) completion of a Change of Control; or (ii) completion of a financing of equity or indebtedness.

(5) The Initial Debentures will be direct secured obligations of the Corporation. The Initial Debentures will rank *pari passu* in right of payment of principal and interest with all other Debentures issued under the Plan of Arrangement (regardless of their actual date or terms of issue).

(6) Upon and subject to the provisions and conditions of Article 6 and Section 3.7, the Initial Debentures may be converted into Units on the following terms and subject to the following conditions

(a) The holder of each Initial Debenture shall have the right at such holder's option, at any time prior to the close of business on the earliest of (i) the third Business Day immediately preceding the Maturity Date of the Initial Debentures; or (ii) if subject to redemption pursuant to a Change of Control, on the Business Day immediately preceding the payment date, subject to the satisfaction of certain conditions, by notice to the holders of Initial Debentures in accordance with Section 2.5(8) (the earlier of which will be the "**Time of Expiry**" for the purposes of Article 6 in respect of the Initial Debentures), to convert any part, being $1,000 or an integral multiple thereof, of the principal amount of a Debenture into Units at the Conversion Price in effect on the Date of Conversion. At the time of conversion, the principal amount of Debenture subject to conversion will, for the purpose of determining the number of Units issuable upon conversion be converted from USD into CAD based on the Bank of Canada noon day rate the day prior to conversion and the CAD principal amount of Debenture shall be divided by the Conversion Price.

(b) The Conversion Price in effect on the date hereof for each Unit to be issued upon the conversion of Initial Debentures shall be equal to C$0.10 per Unit. Except as provided below, no adjustment in the number of Units to be issued upon conversion will be made for dividends or distributions on Common Shares forming part of the Units issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Article 6, or for interest accrued on Initial Debentures surrendered. No fractional Common Shares will be issued, and the number of Common Shares so issuable will be rounded down to the nearest whole number, on any conversion of the Debentures. The Conversion Price applicable to, and the Units, securities or other property receivable on the conversion of, the Initial Debentures is subject to adjustment pursuant to the provisions of Section 6.5. Debentureholders converting their Initial Debentures will receive, in addition to the applicable number of Units, accrued and unpaid interest (less any taxes required to be deducted) in respect of the Initial Debentures surrendered for conversion up to and including the Date of Conversion from, and including, the most recent Interest Payment Date. The Conversion Price will not be adjusted for accrued interest.

(c) Notwithstanding any other provisions of this Indenture, if a Debenture is surrendered for conversion on an Interest Payment Date or during the five

Business Days preceding each Interest Payment Date, the Person or Persons entitled to receive Units in respect of the Debenture so surrendered for conversion shall not become the holder or holders of record of such Common Shares or Warrants comprising the Unis until the Business Day following such Interest Payment Date and, for clarity, any interest payable on such Debentures will be for the account of the holder of record of such Debentures at the close of business on the relevant record date.

(d) An Initial Debenture in respect of which a holder has accepted a notice in respect of a Change of Control Purchase Offer pursuant to the provisions of a Section 2.5(8) may be surrendered for conversion only if such notice is withdrawn in accordance with this Indenture.

(7) The Initial Debentures shall be issued in denominations of $1,000 and integral multiples of $1,000. Each Initial Debenture and the certificate of the Trustee and Collateral Agent endorsed thereon shall be issued in substantially the form set out in Schedule A, with such insertions, omissions, substitutions or other variations as shall be required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by the Board of Directors executing such Initial Debenture in accordance with Section 2.8 hereof, as conclusively evidenced by their execution of an Initial Debenture. Each Initial Debenture shall additionally bear such distinguishing letters and numbers as the Trustee and Collateral Agent shall approve. Notwithstanding the foregoing, an Initial Debenture may be in such other form or forms as may, from time to time, be, approved by a resolution of the Board of Directors, or as specified in an Officer's Certificate. The Initial Debentures may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another.

The Initial Debentures shall be issued in the form of one or more Debenture Certificates and/or as Uncertificated Debentures. Notwithstanding the foregoing, Initial Debentures issued to U.S. Purchasers (other than to Qualified Institutional Buyers) shall be issued only as Debenture Certificates.

(8) Upon the occurrence of a Change of Control, and subject to the provisions and conditions of this Section 2.5(8), the Corporation shall be obligated to offer to purchase or convert all of the outstanding Initial Debentures on the following terms and conditions:

(a) Not less than 30 days prior to the consummation of a Change of Control, the Corporation shall deliver to the Trustee and Collateral Agent, and the Trustee and Collateral Agent shall promptly deliver to the holders of the Initial Debentures, a notice stating that there has been a Change of Control and specifying the date on which such Change of Control occurred and the circumstances or events giving rise to such Change of Control (a **"Change of Control Notice**"). Prior to the

Change of Control Purchase Date (as defined below), the Debentureholders shall, in their sole discretion, have the right to require the Corporation to purchase the Debentures in whole or in part (the "**Change of Control Offer**") at 100% of the principal amount thereof plus accrued and unpaid interest if the Change of Control (the "**Offer Price**"). The "**Change of Control Purchase Date"** shall be the date that is 30 days following the date that the Change of Control Notice is delivered to holders of Initial Debentures;

(b) If 90% or more in aggregate principal amount of Initial Debentures outstanding on the date the Corporation provides the Change of Control Notice to holders of the Initial Debentures have been surrendered for purchase pursuant to the Change of Control Offer on the expiration thereof, the Corporation has the right upon written notice provided to the Trustee and Collateral Agent within 10 days following the expiration of the Change of Control Offer, to redeem all the Initial Debentures remaining outstanding on the expiration of the Change of Control Offer at the Offer Price as at the Change of Control Purchase Date (the "**90% Redemption Right**").

(c) Upon receipt of notice that the Corporation has exercised or is exercising the 90% Redemption Right and is acquiring the remaining Initial Debentures:

(i) the Trustee and Collateral Agent shall promptly provide written notice to each Debentureholder that did not previously accept the Change of Control Offer that the Corporation has exercised the 90% Redemption Right and is purchasing all outstanding Initial Debentures effective on the expiry of the Change of Control Offer at the Offer Price, and shall include a calculation of the amount payable to such holder as payment of the Offer Price as at the Change of Control Purchase Date;

(ii) each such holder must transfer their Initial Debentures to the Trustee and Collateral Agent on the same terms as those holders that accepted the Change of Control Offer and must send their respective Initial Debentures, duly endorsed for transfer, to the Trustee and Collateral Agent within 10 days after receipt of such notice; and

(iii) the rights of such holder under the terms of the Initial Debentures and this Indenture cease effective as of the date of expiry of the Change of Control Offer provided the Corporation has, on or before the time of notifying the Trustee and Collateral Agent of the exercise of the 90% Redemption Right, paid the Offer Price to, or to the order of, the Trustee and Collateral Agent and thereafter the Initial Debentures shall not be considered to be outstanding and the holder shall not have any right except to receive such holder's Offer Price upon surrender and delivery of such holder's Initial Debentures in accordance with the Indenture.

(d) The Corporation shall, on or before 10:00 a.m. (Vancouver time) on the Business Day immediately prior to the Change of Control Purchase Date, deposit with the Trustee and Collateral Agent or any paying agent to the order of the Trustee and Collateral Agent, such sums of money as may be sufficient to pay the Offer Price of the Initial Debentures to be purchased or redeemed by the Corporation on the Change of Control Purchase Date (less any tax required by law to be deducted in respect of accrued and unpaid interest), provided the Corporation may elect to satisfy this requirement by providing the Trustee and Collateral Agent with a certified cheque or wire transfer for such amounts required under this Section 2.5(8)(d) post-dated to the date of expiry of the Change of Control Offer. The Corporation shall also deposit with the Trustee and Collateral Agent a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee and Collateral Agent in connection with such purchase. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee and Collateral Agent shall pay or cause to be paid to the holders of such Initial Debentures, the Offer Price to which they are entitled (less any tax required by law to be deducted in respect of accrued and unpaid interest) on the Corporation's purchase.

(e) In the event that one or more of such Initial Debentures being purchased in accordance with this Section 2.5(8) becomes subject to purchase in part only, upon surrender of such Initial Debentures for payment of the Offer Price, the Corporation shall execute and the Trustee and Collateral Agent shall certify and deliver without charge to the holder thereof or upon the holder's order, one or more new Initial Debentures for the portion of the principal amount of the Initial Debentures not purchased.

(f) Initial Debentures for which holders have accepted the Change of Control Offer and Initial Debentures which the Corporation has elected to redeem in accordance with this Section 2.5(8) shall become due and payable at the Offer Price on the Change of Control Purchase Date, in the same manner and with the same effect as if it were the date of maturity specified in such Initial Debentures, anything therein or herein to the contrary notwithstanding, and from and after the Change of Control Purchase Date, if the money necessary to purchase or redeem, or the Common Shares necessary to purchase or redeem, the Initial Debentures shall have been deposited as provided in this Section 2.5(8) and affidavits or other proofs satisfactory to the Trustee and Collateral Agent as to the publication and/or mailing of such notices shall have been lodged with it, interest on the Initial Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee and Collateral Agent whose decision shall be final and binding upon all parties in interest.

(g) In case the holder of any Initial Debenture to be purchased or redeemed in accordance with this Section 2.5(8) shall fail on or before the Change of Control Purchase Date to so surrender such holder's Initial Debenture or shall not within

such time accept payment of the monies payable, or give such receipt therefor, if any, as the Trustee and Collateral Agent may require, such monies may be set aside in trust, without interest, either in the deposit department of the Trustee and Collateral Agent or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum so set aside and the Debentureholder shall have no other right except to receive payment of the monies so paid and deposited, upon surrender and delivery of such holder's Initial Debenture. In the event that any money required to be deposited hereunder with the Trustee and Collateral Agent or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Initial Debentures issued hereunder shall remain so deposited for a period of six years from the Change of Control Purchase Date, then such monies, together with any accumulated interest thereon, or any distributions paid thereon, shall at the end of such period be paid over or delivered over by the Trustee and Collateral Agent or such depository or paying agent to the Corporation and the Trustee and Collateral Agent shall not be responsible to Debentureholders for any amounts owing to them.

(h) Subject to the provisions above related to Initial Debentures purchased in part, all Initial Debentures redeemed and paid under this Section 2.5(8) shall forthwith be delivered to the Trustee and Collateral Agent and cancelled and no Initial Debentures shall be issued in substitution therefor.

(9) A Debenture in respect of which a holder has accepted a notice in respect of a Change of Control Offer pursuant to the provisions of Section 2.5(8) may be surrendered for conversion only if such notice is withdrawn in accordance with this Indenture.

Section 2.6 Certification and Delivery of Additional Debentures

(1) The Corporation may from time to time request the Trustee and Collateral Agent to certify and deliver Additional Debentures of any series by delivering to the Trustee and Collateral Agent the documents referred to below in this Section 2.6 whereupon the Trustee and Collateral Agent shall certify such Debentures and cause the same to be delivered in accordance with the Written Direction of the Corporation referred to below or pursuant to such procedures acceptable to the Trustee and Collateral Agent as may be specified from time to time by a Written Direction of the Corporation. The maturity date, issue date, interest rate (if any) and any other terms of the Debentures of such series shall be set forth in or determined by or pursuant to such Written Direction of the Corporation and procedures. In certifying such Debentures, the Trustee and Collateral Agent shall be entitled to receive and shall be fully protected in relying upon, unless and until such documents have been superseded or revoked:

(a) an Officer's Certificate and/or executed supplemental indenture by or pursuant to which the form and terms of such Additional Debentures were established;

(b) a Written Direction of the Corporation requesting certification and delivery of such Additional Debentures and setting forth delivery instructions, provided that, with respect to Debentures of a series subject to a Periodic Offering:

(i) such Written Direction of the Corporation may be delivered by the Corporation to the Trustee and Collateral Agent prior to the delivery to the Trustee and Collateral Agent of such Additional Debentures of such series for certification and delivery;

(ii) the Trustee and Collateral Agent shall certify and deliver Additional Debentures of such series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount, if any, established for such series, pursuant to a Written Direction of the Corporation or pursuant to procedures acceptable to the Trustee and Collateral Agent as may be specified from time to time by a Written Direction of the Corporation;

(iii) the maturity date or dates, issue date or dates, interest rate or rates (if any) and any other terms of Additional Debentures of such series shall be determined by an executed supplemental indenture or by Written Direction of the Corporation or pursuant to such procedures; and

(iv) if provided for in such procedures, such Written Direction of the Corporation may authorize certification and delivery pursuant to oral or electronic instructions from the Corporation which oral or electronic instructions shall be promptly confirmed in writing;

(c) an opinion of Counsel, in form and substance satisfactory to the Trustee and Collateral Agent, acting reasonably, to the effect that all requirements imposed by this Indenture and by law in connection with the proposed issue of Additional Debentures have been complied with, subject to the delivery of certain documents or instruments specified in such opinion; and

(d) an Officer's Certificate (which Officer's Certificate shall be in such form that satisfies all applicable laws) certifying that the Corporation is not in default under this Indenture, that the terms and conditions for the certification and delivery of Additional Debentures (including those set forth in Section 13.4), have been complied with subject to the delivery of any documents or instruments specified in such Officer's Certificate and that no Event of Default exists or will exist upon such certification and delivery.

Section 2.7 Non-Certificated Deposit

(1) Subject to the provisions hereof, at the Corporation's option, Debentures may be issued and registered in the name of CDS or its nominee and:

(a) the deposit of which may be confirmed electronically by the Trustee and Collateral Agent to a particular Participant through CDS; and

(b) shall be identified by a specific CUSIP/ISIN as requested by the Corporation from CDS to identify each specific series of Debentures.

(2) If the Corporation issues Debentures to the Depositary, Beneficial Holders of such Debentures registered and deposited with CDS shall not receive Debenture Certificates in definitive form and shall not be considered owners or holders thereof under this Indenture or any supplemental indenture. Beneficial interests in Debentures registered and deposited with CDS will be represented only through the non-certificated inventory system administered by CDS. Transfers of Debentures registered and deposited with CDS between Participants shall occur in accordance with the rules and procedures of CDS. Neither the Corporation nor the Trustee and Collateral Agent shall have any responsibility or liability for any aspects of the records relating to or payments made by CDS or its nominee, on account of the beneficial interests in Debentures registered and deposited with CDS. Nothing herein shall prevent the Beneficial Holders of Debentures registered and deposited with CDS from voting such Debentures using duly executed proxies or voting instruction forms.

(3) All references herein to actions by, notices given or payments made to Debentures shall, where Debentures are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or the direction of Debentureholders evidencing a specified percentage of the aggregate Debentures outstanding, such direction or consent may be given by Beneficial Holders acting through CDS and the Participants owning Debentures evidencing the requisite percentage of the Debentures. The rights of a Beneficial Holder whose Debentures are held established by law and agreements between such holders and CDS and the Participants upon instructions from the Participants. Each Trustee and Collateral Agent and the Corporation may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Debentures and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.

(4) For so long as Debentures are held through CDS, if any notice or other communication is required to be given to Debentureholders, the Trustee and Collateral Agent will give such notices and communications to CDS.

(5) If CDS resigns or is removed from its responsibility as Depository and the Trustee and Collateral Agent is unable or does not wish to locate a qualified successor, CDS shall provide the Trustee and Collateral Agent with instructions for registration of Debentures in the names and in the amounts specified by CDS and the Corporation shall issue and the Trustee and Collateral Agent shall certify and deliver the aggregate number of Debentures then outstanding in the form of definitive Debentures Certificates representing such Debentures.

(6) The rights of Beneficial Holders who hold securities entitlements in respect of the Debentures through non-certificated inventory system administered by CDS shall be limited to those established by applicable law and agreements between the Depository and the Participants and between such Participants and the Beneficial Holders who hold securities entitlements in respect of the Debentures through the non-certificated inventory system administered by CDS, and such rights must be exercised through a Participant in accordance with the rules and procedures of the Depository.

(7) Notwithstanding anything herein to the contrary, none of the Corporation nor the Trustee and Collateral Agent nor any agent thereof shall have any responsibility or liability for:

(a) the electronic records maintained by the Depository relating to any ownership interests or other interests in the Debentures or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Debenture represented by an electronic position in the non-certificated inventory system administered by CDS (other than Depository or its nominee);

(b) for maintaining, supervising or reviewing any records of the Depository or any Participant relating to any such interest; or

(c) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Participant.

(8) The Corporation may terminate the application of this Section 2.7 in its sole discretion in which case the Corporation shall issue or shall cause to be issued Debenture Certificates representing all Debentures registered in the names of the Persons who beneficially own such Debentures and deliver or cause to be delivered such Debenture Certificates to such Persons.

Section 2.8 Execution of Debentures

All Debentures shall be signed (either manually or electronic signature) by any one authorized director or officer of the Corporation holding office at the time of signing. An electronic signature upon a Debenture shall for all purposes of this Indenture be deemed to be the signature of the Person whose signature it purports to be. Notwithstanding that any Person whose signature, either manual or electronic form, appears on a Debenture as a director or officer may no longer hold such office at the date of the Debenture or at the date of the certification and delivery thereof, such Debenture shall be valid and binding upon the Corporation and the holder thereof and entitled to the benefits of this Indenture.

Section 2.9 Certification

(1) No Debenture shall be issued or, if issued, shall be obligatory or shall entitle the holder to the benefits of this Indenture, until it has been certified by manual signature by or on behalf of the Trustee and Collateral Agent substantially in the form set out in this

Indenture, in the relevant supplemental indenture, or in some other form approved by the Trustee and Collateral Agent. Such certification or authentication of any Debenture shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Corporation and the holder is entitled to the benefits hereof. Debentures will be Authenticated on a Written Direction of the Corporation.

(2) The certificate of the Trustee and Collateral Agent signed on the Debentures, or interim Debentures hereinafter mentioned, and the authentication of Uncertificated Debentures, shall not be construed as a representation or warranty by the Trustee and Collateral Agent as to the validity of this Indenture or of the Debentures or interim Debentures or as to the issuance of the Debentures or interim Debentures and the Trustee and Collateral Agent shall in no respect be liable or answerable for the use made of the Debentures or interim Debentures or any of them or the proceeds thereof. The certificate of the Trustee and Collateral Agent on the Debentures or interim Debentures, and the authentication of Uncertificated Debentures, shall, however, be a representation and warranty by the Trustee and Collateral Agent that the Debentures or interim Debentures have been duly certified by or on behalf of the Trustee and Collateral Agent pursuant to the provisions of this Indenture.

(3) The Trustee and Collateral Agent shall certify Uncertificated Debentures (whether upon original issuance, exchange, registration of transfer or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Debentures have been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Debentures with respect to which this Indenture requires the Trustee and Collateral Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Debentures are binding on the Corporation.

Section 2.10 Interim Debentures or Certificates

Pending the delivery of definitive Debentures of any series to the Trustee and Collateral Agent, the Corporation may issue and the Trustee and Collateral Agent certify in lieu thereof interim Debentures in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery; or the Corporation may execute and the Trustee and Collateral Agent certify a temporary Debenture for the whole principal amount of Debentures of the series then authorized to be issued hereunder and deliver the same to the Trustee and Collateral Agent and thereupon the Trustee and Collateral Agent may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Debenture so delivered to it, as the Corporation and the Trustee and Collateral Agent may approve entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery; and, when so issued and certified, such interim or temporary Debentures or interim certificates shall, for all purposes but without duplication, rank in respect of this

Indenture equally with Debentures duly issued hereunder and, pending the exchange thereof for definitive Debentures, the holders of the interim or temporary Debentures or interim certificates shall be deemed without duplication to be Debentureholders and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after the Corporation shall have delivered the definitive Debentures to the Trustee and Collateral Agent, the Trustee and Collateral Agent shall cancel such temporary Debentures, if any, and shall call in for exchange all interim Debentures or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by the Corporation or the Trustee and Collateral Agent to the holders of such interim or temporary Debentures or interim certificates for the exchange thereof. All interest paid upon interim or temporary Debentures or interim certificates shall be noted thereon as a condition precedent to such payment unless paid by cheque to the registered holders thereof.

Section 2.11 Mutilation, Loss, Theft or Destruction

In case any of the Debentures issued hereunder shall become mutilated or be lost, stolen or destroyed, the Corporation shall issue, and thereupon the Trustee and Collateral Agent shall certify and deliver, a new Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for the same, and the substituted Debenture shall be in a form approved by the Trustee and Collateral Agent and shall be entitled to the benefits of this Indenture and rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder. In case of loss, theft or destruction the applicant for a substituted Debenture shall furnish to the Corporation and to the Trustee and Collateral Agent such evidence of the loss, theft or destruction of the Debenture as shall be satisfactory to them in their discretion, acting reasonably, and shall also furnish an indemnity and surety bond satisfactory to them in their discretion, acting reasonably. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

Section 2.12 Concerning Interest

(1) All Debentures issued hereunder, whether originally or upon exchange or in substitution for previously issued Debentures which are interest bearing, shall bear interest (i) from and including their issue date, or (ii) from and including, if applicable, the last Interest Payment Date to which interest shall have been paid or made available for payment on the outstanding Debentures of that series, whichever shall be the later, or, in respect of Debentures subject to a Periodic Offering, from and including their issue date or from and including, if applicable, the last Interest Payment Date to which interest shall have been paid or made available for payment on such Debentures, in all cases, to and excluding the next Interest Payment Date.

(2) Unless otherwise specifically provided in the terms of the Debentures of any series, interest shall be computed on the basis of a year of 360 days comprised of twelve 30-day months. With respect to any series of Debentures, whenever interest is computed on the basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a

yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

Section 2.13 Debentures to Rank Equally

(1) The Debentures will be direct secured obligations of the Corporation and will rank equally and rateably secured with all other Debentures, with the same right, Lien and entitlement with respect to the Collateral, without preference, priority or distinction between the Debentures, regardless of their actual date or terms of issue, secured by a senior Lien over the Collateral (subject to Permitted Liens).

Section 2.14 Payments of Amounts Due on Maturity

(1) Except as may otherwise be provided herein or in any supplemental indenture in respect of any series of Debentures, payments of amounts due upon maturity of the Debentures will be made in the following manner. The Corporation will establish and maintain with the Trustee and Collateral Agent a Maturity Account for each series of Debentures. Each such Maturity Account shall be maintained by and be subject to the control of the Trustee and Collateral Agent for the purposes of this Indenture. On or before 10:00 a.m. (Vancouver time) on the Business Day immediately prior to each Maturity Date for Debentures outstanding from time to time under this Indenture, the Corporation will deliver to the Trustee and Collateral Agent (i) a certified cheque or wire transfer for deposit in the applicable Maturity Account in an amount sufficient to pay the cash amount payable in respect of such Debentures (including the principal amount together with any accrued and unpaid interest thereon less any tax required by law to be deducted). The Trustee and Collateral Agent, on behalf of the Corporation, will pay to each holder entitled to receive payment the principal amount of and premium (if any) and accrued and unpaid interest on the Debenture, upon surrender of the Debenture at any branch of the Trustee and Collateral Agent designated for such purpose from time to time by the Corporation and the Trustee and Collateral Agent. The delivery of such funds and certificates to the Trustee and Collateral Agent for deposit to the applicable Maturity Account will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of funds and certificates relates to the extent of the amount delivered (plus the amount of any tax deducted as aforesaid) and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the money so delivered or made available the amount to which it is entitled.

Section 2.15 U.S. Legend

(1) The Debentures and the Common Shares and Warrants comprising the Units issuable upon conversion thereof (collectively, the "**Securities**") have not been and will not be registered under the U.S. Securities Act or state securities laws. Subject to Section 2.15(3), all Debentures originally issued and sold to U.S. Purchasers in reliance on exemptions from registration under the U.S. Securities Act, as well as the Common

Shares and the Warrants issuable upon conversion, redemption or maturity thereof, shall be "restricted securities" within the meaning assigned to that term in Rule 144(a)(3) under the U.S. Securities Act, and may be issued in certificated form or under a separate restricted CUSIP number, and, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or U.S. state securities laws, shall bear or be deemed to bear the following legend (the **"U.S. Legend**"):

> THE SECURITIES REPRESENTED HEREBY [*for Debentures add:* AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF] [*for 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 THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ICANIC BRANDS COMPANY INC. (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 COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (C) OR (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION AND [*for Debentures add*: THE TRUSTEE AND COLLATERAL AGENT] [*for Common Shares issuable upon conversion add*: THE TRANSFER AGENT] [*for Warrants issuable upon conversion add*: THE WARRANT AGENT] TO SUCH EFFECT. [*For Common Shares issuable upon conversion add*: THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.]

provided that, if any of such Debentures, Common Shares or Warrants are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and the Corporation is a "foreign issuer" (as defined in Rule 902 of Regulation S) at the time of the original sale or issuance of such Securities, the legend set forth above may be removed by providing a declaration to the Corporation and its transfer agent for such Securities, as set forth in Section 2 of Schedule E attached hereto (or in such other form as the Corporation may prescribe from time to time); and provided, further, that, if such Securities are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Corporation, the legend may be removed by delivery to the Corporation and its transfer agent for such Securities of an opinion of counsel of recognized standing or other evidence of exemption in form and substance reasonably satisfactory to the Corporation that such legend is no longer required under applicable requirements of the U.S. Securities Act or U.S. state securities laws.

(2) Subject to Section 2.15(3), the parties hereto hereby acknowledge and agree that the Debentures originally issued to U.S. Purchasers that are U.S. Accredited Investors (but not Qualified Institutional Buyers), and the Common Shares and Warrants comprising the Units issuable upon conversion thereof, may not be reoffered, or resold, pledged or otherwise transferred except: (i) to the Corporation; (ii) outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations; (iii) in compliance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable U.S. state securities laws; or (iv) in another transaction that does not require registration under the U.S. Securities Act or any applicable U.S. state securities laws.

(3) Notwithstanding Section 2.15(1):

(a) the Initial Debentures will be issued by the Corporation to U.S. Purchasers participating in the Plan of Arrangement in reliance on the Section 3(a)(10) Exemption and available exemptions from the registration or qualification requirements of applicable U.S. state securities laws, and

(i) such Initial Debentures: (A) shall not be "restricted securities" within the meaning assigned to that term in Rule 144(a)(3) under the U.S. Securities Act, and (B) shall be included in the Unrestricted Debentures; and

(ii) any Common Shares or Warrants comprising the Units issued to such U.S. Purchasers upon conversion of such Initial Debentures shall not be "restricted securities" within the meaning assigned to that term in Rule 144(a)(3) under the U.S. Securities Act, and shall neither be required to be issued under a restricted CUSIP nor bear a U.S. Legend, provided that: (A) the Common Shares and Warrants are issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(9) thereof, (B) no commission or other remuneration is paid, directly or indirectly, for soliciting the conversion, and (C) the

holder has duly executed and delivered a conversion notice in the form of Schedule C, including the certification in item (A) thereof; and

(b) provided that a Qualified Institutional Buyer has duly executed and delivered the Certificate of Qualified Institutional Buyer executed and delivered by the Qualified Institutional Buyer with the subscription agreement used in connection with the offer and sale of the Debentures, such Debentures shall be included in the Unrestricted Debentures, and any Common Shares or Warrants comprising the Units issued to such Qualified Institutional Buyer upon conversion of such Debentures shall neither be required to be issued under a restricted CUSIP nor bear a U.S. Legend.

(4) Prior to the issuance of the Debentures, the Corporation shall notify the Trustee and Collateral Agent, in writing, concerning which Debentures are to be included in the Restricted Debentures which shall bear the U.S. Legend. The Trustee and Collateral Agent will thereafter maintain a list of all registered holders from time to time of such legended Debentures. Subject to Section 2.15(3), the Debentures issued to U.S. Purchasers that are U.S. Accredited Investors and not Qualified Institutional Buyers shall be issued as Restricted Physical Debentures.

Section 2.16 Payment of Interest in Cash

The following provisions shall apply to Debentures, except as otherwise provided in Section 2.5(4) or specified in a resolution of the Board of Directors, an Officer's Certificate or a supplemental indenture relating to a particular series of Additional Debentures:

(a) As interest becomes due on each Debenture the Corporation, either directly or through the Trustee and Collateral Agent or any agent of the Trustee and Collateral Agent, shall send or forward by prepaid ordinary mail, wire transfer of funds or such other means as may be agreed to by the Trustee and Collateral Agent, payment of such interest (less any tax required by law to be deducted or withheld) to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee and Collateral Agent at the close of business on the record date prior to the applicable Interest Payment Date and addressed to the holder at the holder's last address appearing on the register, unless such holder otherwise directs. If payment is made by cheque, such cheque shall be forwarded at least three days prior to each date on which interest becomes due and if payment is made by other means (such as electronic transfer of funds), provided that for any payment to be made by the Trustee and Collateral Agent, it must receive confirmation of receipt of funds prior to being able to forward funds or cheques to holders and such payment shall be made in a manner whereby the holder receives credit for such payment on the date such interest on such Debenture becomes due. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any tax withheld or deducted as aforesaid (provided that such taxes which were deducted or withheld were permitted to the appropriate governmental

authority in accordance with prescribed law), satisfy and discharge all liability for interest on such Debenture, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the Person to whom it is so sent as aforesaid, the Corporation will issue to such Person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Corporation is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, the Corporation may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee and Collateral Agent with the same effect as though payment had been made in the manner provided above.

(b) All payments of interest on an Uncertificated Debenture shall be made by wire funds transfer or certified cheque made payable (i) to the Depository or its nominee on the day interest is payable for subsequent payment to Beneficial Holders of the applicable Uncertificated Debenture, unless the Corporation and the Depository otherwise agree or (ii) if the Corporation wishes to have the Trustee and Collateral Agent act as interest paying agent, to the Trustee and Collateral Agent by no later than the Business Day prior to the day interest is payable for subsequent payment to Beneficial Holders of the applicable Uncertificated Debenture. None of the Corporation, the Trustee and Collateral Agent or any agent of the Trustee and Collateral Agent for any Debenture issued as an Uncertificated Debenture will be liable or responsible to any Person for any aspect of the records related to or payments made on account of beneficial interests in any Uncertificated Debenture or for maintaining, reviewing, or supervising any records relating to such beneficial interests.

ARTICLE 3 – REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

Section 3.1 Global Debentures or Book Based Only Debentures

(1) With respect to each series of Debentures issuable in whole or in part as one or more Global Debentures and/or as Book Based Only Debentures, the Corporation shall cause to be kept by and at the principal offices of the Trustee and Collateral Agent in Calgary, Alberta and by the Trustee and Collateral Agent or such other registrar as the Corporation, with the approval of the Trustee and Collateral Agent, may appoint at such other place or places, if any, as the Corporation may designate with the approval of the Trustee and Collateral Agent, a register in which shall be entered the name and address of the holder of each such Global Debenture and/or Book Based Only Debenture as holder thereof and particulars of the Global Debenture and/or Book Based Only Debenture held by it, and of all transfers thereof. If any Debentures of such series are at any time not Global Debentures or Book Based Only Debentures, the provisions of Section 3.2 shall govern with respect to registrations and transfers of such Debentures.

(2) Notwithstanding any other provision of this Indenture, a Global Debenture or Book Based Only Debenture may not be transferred by the registered holder thereof and accordingly, no definitive certificates shall be issued to Beneficial Holders except in the following circumstances or as otherwise specified in a resolution of the Directors, an Officer's Certificate or a supplemental indenture relating to a particular series of Additional Debentures:

(a) Global Debentures or Book Based Only Debentures may be transferred by a Depository to a nominee of such Depository or by a nominee of a Depository to such Depository or to another nominee of such Depository or by a Depository or its nominee to a successor Depository or its nominee;

(b) Global Debentures or Book Based Only Debentures may be transferred at any time after (i) the Depository for such Global Debentures or Book Based Only Debentures, as the case may be, or the Corporation has notified the Trustee and Collateral Agent that the Depository is unwilling or unable to continue as Depository for such Global Debentures or Book Based Only Debentures, or (ii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a Depository under Section 2.1(2), provided in each case that at the time of such transfer the Trustee and Collateral Agent and the Corporation are unable to locate a qualified successor Depository for such Global Debentures or Book Based Only Debentures;

(c) Global Debentures or Book Based Only Debentures may be transferred at any time after the Corporation has determined, in its sole discretion, with the consent of the Trustee and Collateral Agent to terminate the book-entry only registration system or book based entry, as the case may be, in respect of such Global Debentures or Book Based Only Debentures and has communicated such determination to the Trustee and Collateral Agent in writing;

(d) Global Debentures or Book Based Only Debentures may be transferred at any time after the Trustee and Collateral Agent has determined that an Event of Default has occurred and is continuing with respect to the Debentures of the series issued as a Global Debenture or Book Based Only Debentures, as the case may be, provided that Beneficial Holders of the Debentures representing, in the aggregate, more than 25% of the aggregate principal amount of the Debentures of such series advise the Depository in writing, through the Depository Participants, that the continuation of the book-entry only registration system or book based entry, as applicable, for such series of Debentures is no longer in their best interest and also provided that at the time of such transfer the Debentureholders have not waived the Event of Default pursuant to Section 8.3;

(e) Global Debentures or Book Based Only Debentures may be transferred if required by applicable law; or

(f) Global Debentures or Book Based Only Debentures may be transferred if the book-entry only registration system or book based entry, as applicable, ceases to exist.

(3) With respect to the Global Debentures, unless and until definitive certificates have been issued to Beneficial Holders of the Debentures pursuant to Section 3.1(2):

(a) the Corporation and the Trustee and Collateral Agent may deal with the Depository for all purposes (including paying interest on the Debentures) as the sole holder of such series of Debentures and the authorized representative of the Beneficial Holders;

(b) the rights of the Beneficial Holders of the Debentures shall be exercised only through the Depository and shall be limited to those established by law and agreements between such Beneficial Holders and the Depository or the Depository Participants;

(c) the Depository will make book-entry or book based, as applicable, transfers among the Depository Participants; and

(d) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Debentureholders evidencing a specified percentage of the outstanding Debentures, the Depository shall be deemed to be counted in that percentage only to the extent that it has received instructions to such effect from the Beneficial Holders of the Debentures or the Depository Participants, and has delivered such instructions to the Trustee and Collateral Agent.

(4) Whenever a notice or other communication is required to be provided to Debentureholders, unless and until definitive certificate(s) have been issued to Beneficial Holders of the Debentures pursuant to this Section 3.1, the Trustee and Collateral Agent shall provide all such notices and communications to the Depository for forwarding by the Depository to such Beneficial Holders in accordance with Applicable Securities Legislation. Upon the termination of the book-entry only registration system or book based entry, as applicable, on the occurrence of one of the conditions specified in Section 3.1(2) with respect to a series of Debentures issued hereunder, the Trustee and Collateral Agent shall notify all applicable Depository Participants and Beneficial Holders, through the Depository, of the availability of definitive Debenture Certificates. Upon surrender by the Depository of the certificate(s) representing the Global Debentures and receipt of new registration instructions from the Depository, the Trustee and Collateral Agent shall deliver the definitive Debenture Certificates for such Debentures to the holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Debentures will be governed by Section 3.2 and the remaining Sections of this Article 3, as applicable.

(5) Notwithstanding any other provisions of this Indenture or the Debentures, transfers and exchanges of Debentures and beneficial interests in Global Debentures shall be made in

accordance the applicable rules and guidelines of the Securities Transfer Association of Canada.

(6) In the establishment and maintenance of a Book Based Only Debenture issue, the Trustee and Collateral Agent shall maintain such a record on its register for Debentures in book based form only. Transfers of Debentures appearing on the register of the Depository shall otherwise occur as provided for in this Indenture. The parties hereto further recognize that, notwithstanding the issuance of Book Based Only Debentures, conversions of Debentures shall occur as contemplated by the terms of this Indenture but the Trustee and Collateral Agent is permitted to employ whatever reasonable means it may from time to time require in order to guarantee the unhindered (but subject to the terms and conditions hereof) conversion of such Debentures appearing on the register for Debentures in book based only form by making whatever arrangements are deemed necessary by it with the Depository.

(7) At the time of the execution of this Indenture, the parties hereto understand that no declarations or other paper certificates or documentation will be required in order to effect conversions of Debentures held by Persons in the United States. If at any time subsequent to the initial issuance of Debentures it is determined by the Depository, the Trustee and Collateral Agent, the Corporation or legal counsel that physical declarations or other paper documentation are required for conversions or otherwise, the parties hereto and the Debentureholders acknowledge that the Trustee and Collateral Agent may be obliged to require the Debentures held by such Persons converting their Debentures to be certificated rather than held in book based form.

Section 3.2 Transfer of Restricted Debentures

(1) Notwithstanding any other provisions in this Indenture or the Debentures, transfers and exchanges of Restricted Debentures shall be made in accordance with this Section 3.2(1):

(a) **Transfer and Exchange of Interests in a Restricted Uncertificated Debenture for Interests in an Unrestricted Uncertificated Debenture**. An interest in a Restricted Uncertificated Debenture may be exchanged by any holder thereof for an interest in an Unrestricted Uncertificated Debenture or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Uncertificated Debenture if the Trustee and Collateral Agent receives the following:

(i) if the holder of such interest in a Restricted Uncertificated Debenture proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Uncertificated Debenture, a certificate from such holder in the form of Schedule F, including the certifications in item (1)(a) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Uncertificated Debenture proposes to transfer such beneficial interest to a Person who

shall take delivery thereof in the form of a beneficial interest in an Unrestricted Uncertificated Debenture, a certificate from such holder in the form of Schedule E, including the certifications in items (3)(a) or (b) thereof;

and, in each such case set forth in this clause 3.2(1)(a), the Trustee and Collateral Agent and the Corporation receive an opinion of counsel of recognized standing or other evidence, as applicable, in form and substance reasonably satisfactory to the Corporation to the effect that such transfer or exchange is in compliance with the U.S. Securities Act and all applicable U.S. state securities laws.

(b) **Transfer of Restricted Physical Debenture for Restricted Physical Debenture or Restricted Uncertificated Debenture.** A Restricted Physical Debenture may be transferred to a Person who takes delivery thereof in the form of a Restricted Physical Debenture or a Restricted Uncertificated Debenture if the Corporation and the Trustee and Collateral Agent receive an opinion of counsel of recognised standing, in form and substance reasonably satisfactory to the Corporation, to the effect that such transfer or exchange is in compliance with an available exemption from the registration requirements of the U.S. Securities Act and all applicable U.S. state securities laws; provided that a Debenture that is a Restricted Physical Debenture may be transferred in accordance with the requirements of Section 2.15(1) and Section 2.15(2).

(c) **Transfer and Exchange of Restricted Physical Debentures for Unrestricted Physical Debentures.** A Restricted Physical Debenture may be exchanged by the holder thereof for an Unrestricted Physical Debenture or transferred to a Person who takes delivery thereof in the form of an Unrestricted Physical Debenture if the Trustee and Collateral Agent receives the following:

(i) if the holder of such Restricted Physical Debenture proposes to exchange such Debenture for an Unrestricted Physical Debenture, a certificate from such holder in the form of F, including the certifications in item (1)(b) thereof;

(ii) if the holder of such Restricted Physical Debenture proposes to transfer such Debenture to a Person who shall take delivery thereof in the form of an Unrestricted Physical Debenture, a certificate from such holder in the form of E, including the certifications in items (3)(a) or (b) thereof; or

(iii) if the holder of such Restricted Physical Debenture proposes to transfer such Debenture to a Person who shall take delivery thereof in the form of an Unrestricted Uncertificated Debenture, a certificate from such holder in the form of Schedule E, including the certifications in items (3)(a) or (b) thereof;

(iv) if the holder of such Restricted Physical Debenture proposes to transfer such Debenture to a Person who shall take delivery thereof in the form of an Unrestricted Physical Debenture, a certificate from such holder in the form of Schedule E, including the certifications in items (3)(a) or (b) thereof;

and, in each such case set forth in this clause 3.2(3)(c), the Trustee and Collateral Agent and the Corporation receive an opinion of counsel of recognized standing or other evidence, as applicable, in form reasonably satisfactory to the Corporation to the effect that such transfer or exchange is in compliance with the U.S. Securities Act and all applicable U.S. state securities laws.

(d) **Transfer of Restricted Uncertificated Debentures and Restricted Physical Debentures pursuant to Rule 144A.** An interest in a Restricted Uncertificated Debenture or a Restricted Physical Debenture may be transferred pursuant to Rule 144A under the U.S. Securities Act if the Trustee and Collateral Agent receives a certificate from such holder in the form of Schedule E, including the certifications in item (1) thereof.

(e) **Transfer of Restricted Uncertificated Debentures and Restricted Physical Debentures pursuant to Regulation S.** An interest in a Restricted Uncertificated Debenture or a Restricted Physical Debenture may be transferred pursuant to Rule 904 of Regulation S under the U.S. Securities Act if the Trustee and Collateral Agent receives a certificate from such holder in the form of Schedule E, including the certifications in item (2) thereof.

Section 3.3 Transferee Entitled to Registration

The transferee of a Debenture shall be entitled, after the appropriate form of transfer is lodged with the Trustee and Collateral Agent or other registrar and upon compliance with all other conditions in that behalf required by this Indenture or by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous holder of such Debenture, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. Upon surrender for registration of transfer of Debentures, the Corporation shall issue and thereupon the Trustee and Collateral Agent shall certify and deliver a new Debenture Certificate or confirm the electronic deposit of Uncertificated Debentures of like tenor in the name of the designated transferee and register such transfer in accordance with Section 3.2. If less than all the Debentures evidenced by the Debenture Certificate(s) or Uncertificated Debentures so surrendered are transferred, the transferor shall be entitled to receive, in the same manner, a new Debenture Certificate or electronically deposited Uncertificated Debentures registered in its name evidencing the Debentures not transferred.

Section 3.4 No Notice of Trusts

Neither the Corporation nor the Trustee and Collateral Agent nor any registrar shall be bound to take notice of or see to the execution of any trust (other than that created by this Indenture) whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the Person registered as the holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.

Section 3.5 Registers Open for Inspection

The registers referred to in Section 3.1 and Section 3.2 shall at all reasonable times be open for inspection by the Corporation, the Trustee and Collateral Agent or any Debentureholder. Every registrar, including the Trustee and Collateral Agent or any Debentureholder, shall from time to time when requested so to do by the Corporation, in writing, within 15 days of such request, furnish the Corporation with a current list of names and addresses of holders of registered Debentures entered on the register kept by them and showing the principal amount and serial numbers of the Debentures held by each such holder, provided the Trustee and Collateral Agent shall be entitled to charge a reasonable fee to the Corporation to provide such a list.

Section 3.6 Exchanges of Debentures

(1) Subject to Section 3.1, Section 3.2 and Section 3.7, Debentures in any authorized form or denomination may be exchanged for Debentures in any other authorized form or denomination, of the same series and date of maturity, bearing the same interest rate and of the same aggregate principal amount as the Debentures so exchanged.

(2) In respect of exchanges of Debentures permitted by Section 3.6(1), Debentures of any series may be exchanged only at the principal offices of the Trustee and Collateral Agent in the city of Calgary, Alberta or at such other place or places, if any, as may be specified in the Debentures of such series and at such other place or places as may from time to time be designated by the Corporation with the approval of the Trustee and Collateral Agent. Any Debentures tendered for exchange shall be surrendered to the Trustee and Collateral Agent. The Corporation shall execute and the Trustee and Collateral Agent shall certify all Debentures necessary to carry out exchanges as aforesaid. All Debentures surrendered for exchange shall be cancelled.

(3) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

Section 3.7 Closing of Registers

(1) Neither the Corporation nor the Trustee and Collateral Agent nor any registrar shall be required to:

(a) make transfers or exchanges of, or convert any Debentures on any day selected by the Trustee and Collateral Agent for the redemption of Debentures or during the five preceding Business Days;

(b) make exchanges of any Debentures which will have been selected or called for redemption unless upon due presentation thereof for redemption such Debentures shall not be redeemed, as the register for the applicable series of Debentures shall be closed in respect of such actions on such dates; or

(c) make transfers or exchanges of any Debentures on the Business Day immediately preceding the maturity date of such Debentures, or during such longer period prior to an applicable maturity date as directed in writing by the Corporation (which period shall not exceed the five Business Days preceding the applicable maturity date).

(2) Subject to any restriction herein provided, the Corporation with the approval of the Trustee and Collateral Agent may at any time close any register for any series of Debentures, other than those kept at the principal offices of the Trustee and Collateral Agent in Calgary, Alberta, and transfer the registration of any Debentures registered thereon to another register (which may be an existing register) and thereafter such Debentures shall be deemed to be registered on such other register. Notice of such transfer shall be given to the holders of such Debentures.

Section 3.8 Charges for Registration, Transfer and Exchange

For each Debenture exchanged, registered, transferred or discharged from registration, the Trustee and Collateral Agent or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Debenture issued (such amounts to be agreed upon from time to time by the Trustee and Collateral Agent and the Corporation), and payment of such charges and reimbursement of the Trustee and Collateral Agent or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Debentureholder hereunder:

(a) for any exchange, registration, transfer or discharge from registration of any Debenture applied for within a period of two months from the date of the first delivery of Debentures of that series or, with respect to Debentures subject to a Periodic Offering, within a period of two months from the date of delivery of any such Debenture;

(b) for any exchange of any interim or temporary Debenture or interim certificate that has been issued under Section 2.10 for a certificated Debenture;

(c) for any exchange of an Uncertificated Debenture as contemplated in Section 3.1; or

(d) for any exchange of any Debenture resulting from a partial redemption under Section 4.1;

(e) for a purchase of Debentures under Section 4.8;

(f) for a partial conversion under Section 6.4; or

(g) for an offer to purchase or convert the Initial Debentures under Section 2.5(8).

Section 3.9 Ownership of Debentures

(1) Unless otherwise required by law, the Person in whose name any registered Debenture is registered shall for all purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the principal of and premium, if any, on such Debenture and interest thereon shall be made to such registered holder.

(2) The registered holder for the time being of any registered Debenture shall be entitled to the principal, premium, if any, and/or interest evidenced by such instruments, respectively, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such registered holder for any such principal, premium or interest shall be a good discharge to the Trustee and Collateral Agent, any registrar and to the Corporation for the same and none shall be bound to inquire into the title of any such registered holder.

(3) Where Debentures are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all such holders, failing written instructions from them to the contrary, and the receipt of any one of such holders therefor shall be a valid discharge, to the Trustee and Collateral Agent, any registrar and to the Corporation.

(4) In the case of the death of one or more joint holders of any Debenture the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the survivor or survivors of such registered holders and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Trustee and Collateral Agent and any registrar and to the Corporation.

ARTICLE 4- REDEMPTION AND PURCHASE OF DEBENTURES

Section 4.1 Applicability of Article

Subject to regulatory approval, Section 2.5(6)(d) and provisions relating to any particular series of Debentures, the Corporation shall have the right at its option to redeem, either in whole at any time or in part from time to time before maturity, any Debentures issued hereunder of any series which by their terms are made so redeemable (subject, however, to any applicable restriction on the redemption of Debentures of such series) at such rate or rates of premium, if any, and on such date or dates and in accordance with such other provisions as shall have been

determined at the time of issue of such Debentures and as shall have been expressed in this Indenture, in the Debentures, in an Officers' Certificate, or in a supplemental indenture authorizing or providing for the issue thereof, or in the case of Additional Debentures issued pursuant to a Periodic Offering, in the Written Direction of the Corporation requesting the Authentication and delivery thereof. For purposes of this Article 4, the term Debentures excludes the Initial Debentures. Notwithstanding this exclusion, the Corporation shall not be prohibited from exercising the 90% Redemption Right.

Section 4.2 Partial Redemption

If less than all the Debentures of any series for the time being outstanding are at any time to be redeemed, the Debentures to be so redeemed shall be selected by the Trustee and Collateral Agent on a pro rata basis to the nearest multiple of $1,000 in accordance with the principal amount of the Debentures registered in the name of each holder or in such other manner as the Trustee and Collateral Agent deems equitable, subject to the approval of any Recognized Stock Exchange on which the Debentures are then listed as may be required from time to time. Unless otherwise specifically provided in the terms of any series of Debentures, no Debenture shall be redeemed in part unless the principal amount redeemed is $1,000 or a multiple thereof. For this purpose, the Trustee and Collateral Agent may make, and from time to time vary, regulations with respect to the manner in which such Debentures may be drawn for redemption and regulations so made shall be valid and binding upon all holders of such Debentures notwithstanding that as a result thereof one or more of such Debentures may become subject to redemption in part only or for cash only. In the event that one or more of such Debentures becomes subject to redemption in part only, upon surrender of any such Debentures for payment of the Redemption Price, together with interest accrued to but excluding the Redemption Date, the Corporation shall execute and the Trustee and Collateral Agent shall Authenticate and deliver without charge to the holder thereof or upon the holder's order one or more new Debentures for the unredeemed part of the principal amount of the Debenture or Debentures so surrendered or, with respect to an Uncertificated Debenture, registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system. Unless the context otherwise requires, the terms "Debenture" or "Debentures" as used in this Article 4 shall be deemed to mean or include any part of the principal amount of any Debenture which in accordance with the foregoing provisions has become subject to redemption.

Section 4.3 Notice of Redemption

If the Corporation wishes to redeem any of the Debentures, a notice of redemption (the "**Redemption Notice**") of any series of Debentures shall be given to the holders of the Debentures so to be redeemed not more than 60 days nor less than 30 days prior to the date fixed for redemption (the "**Redemption Date**") in the manner provided in Section 13.2. Every such notice shall specify the aggregate principal amount of Debentures called for redemption, the Redemption Date, the Redemption Price and the places of payment and shall state that interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date. In addition, unless all the outstanding Debentures are to be redeemed, the Redemption Notice shall specify:

(a) the distinguishing letters and numbers of the registered Debentures which are to be redeemed (or of such thereof as are registered in the name of such Debentureholder);

(b) in the case of a published notice, the distinguishing letters and numbers of the Debentures which are to be redeemed or, if such Debentures are selected pro rata or other similar system, such particulars as may be sufficient to identify the Debentures so selected;

(c) in the case of an Uncertificated Debenture, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and Collateral Agent and the Corporation; and

(d) in all cases, the principal amounts of such Debentures or, if any such Debenture is to be redeemed in part only, the principal amount of such part.

In the event that all Debentures to be redeemed are registered Debentures, publication shall not be required.

Section 4.4 Debentures Due on Redemption Dates

Notice having been given as aforesaid, all the Debentures so called for redemption shall thereupon be and become due and payable at the Redemption Price on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the date of maturity specified in such Debentures, anything therein or herein to the contrary notwithstanding, and from and after such Redemption Date, if the monies necessary to redeem such Debentures shall have been deposited as provided in Section 4.5 and affidavits or other proof satisfactory to the Trustee and Collateral Agent as to the publication and/or mailing of such notices shall have been lodged with it, interest upon the Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee and Collateral Agent whose decision shall be final and binding upon all parties in interest.

Section 4.5 Deposit of Redemption Monies

Redemption of Debentures shall be provided for by the Corporation depositing with the Trustee and Collateral Agent or any paying agent to the order of the Trustee and Collateral Agent, on or before 10:00 a.m. (Vancouver time) on the Business Day immediately prior to the Redemption Date specified in such notice, such sums of money as may be sufficient to pay the Redemption Price of the Debentures so called for redemption, provided the Corporation may elect to satisfy this requirement by providing the Trustee and Collateral Agent with a certified cheque or wire transfer for such amounts required under this Section 4.5 post-dated to the Redemption Date or by providing the Trustee and Collateral Agent with such funds through electronic transfer of funds on the Business Day immediately prior to the Redemption Date. The Corporation shall also deposit with the Trustee and Collateral Agent a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee and Collateral Agent in

connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee and Collateral Agent shall pay or cause to be paid, or issue or cause to be issued, to the holders of such Debentures so called for redemption, upon surrender of such Debentures, the principal, premium (if any) and interest (if any) to which they are respectively entitled on redemption.

Section 4.6 Failure to Surrender Debentures Called for Redemption

In case the holder of any Debenture so called for redemption shall fail on or before the Redemption Date to so surrender such holder's Debenture, or shall not within such time accept payment of the redemption monies payable, or give such receipt therefor, if any, as the Trustee and Collateral Agent may require, such redemption monies may be set aside in trust, either in the deposit department of the Trustee and Collateral Agent or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum and, to that extent, the Debenture shall thereafter not be considered as outstanding hereunder and the Debentureholder shall have no other right except to receive payment out of the monies so paid and deposited, upon surrender and delivery of such holder's Debenture of the Redemption Price, as the case may be, of such Debenture. In the event that any money required to be deposited hereunder with the Trustee and Collateral Agent or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Debentures issued hereunder shall remain so deposited for a period of three years less one day from the Redemption Date, then such monies, together with any accumulated interest thereon or any distribution paid thereon, shall at the end of such period be paid over or delivered over by the Trustee and Collateral Agent or such depository or paying agent to the Corporation on its demand, and thereupon the Trustee and Collateral Agent shall not be responsible to Debentureholders for any amounts owing to them and subject to applicable law, thereafter the holder of a Debenture in respect of which such money was so repaid to the Corporation shall have no rights in respect thereof except to obtain payment of the money due from the Corporation, subject to any limitation period provided by the laws of Alberta. Notwithstanding the foregoing, the Trustee and Collateral Agent will pay any remaining funds prior to the expiry of three years less one day after the Redemption Date to the Corporation upon receipt from the Corporation, of an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds. If the remaining funds are paid to the Corporation prior to the expiry of three years less one day after the Redemption Date, the Corporation shall reimburse the Trustee and Collateral Agent for any amounts required to be paid by the Trustee and Collateral Agent to a holder of a Debenture pursuant to the redemption after the date of such payment of the remaining funds to the Corporation but prior to three years less one day after the redemption.

Section 4.7 Cancellation of Debentures Redeemed

Subject to the provisions of Sections 4.2 and 4.8 as to Debentures redeemed or purchased in part, all Debentures redeemed and paid under this Article 4 shall forthwith be delivered to the Trustee and Collateral Agent and cancelled and no Debentures shall be issued in substitution therefore.

Section 4.8 Purchase of Debentures by the Corporation

(1) Unless otherwise specifically provided with respect to a particular series of Debentures, the Corporation may, if it is not at the time in default hereunder, at any time and from time to time, purchase Debentures in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a Recognized Stock Exchange) or by tender or by contract. All Debentures so purchased will be delivered to the Trustee and Collateral Agent and shall be cancelled and no Debentures shall be issued in substitution therefor.

(2) If, upon an invitation for tenders, more Debentures are tendered at the same lowest price than the Corporation is prepared to accept, the Debentures to be purchased by the Corporation shall be selected by the Trustee and Collateral Agent on a pro rata basis from the Debentures tendered by each tendering Debentureholder who tendered at such lowest price. For this purpose the Trustee and Collateral Agent may make, and from time to time amend, regulations with respect to the manner in which Debentures may be so selected, and regulations so made shall be valid and binding upon all Debentureholders, notwithstanding the fact that as a result thereof one or more of such Debentures become subject to purchase in part only. The holder of a Debenture of which a part only is purchased, upon surrender of such Debenture for payment, shall be entitled to receive, without expense to such holder, one or more new Debentures for the unpurchased part so surrendered, and the Trustee and Collateral Agent shall certify and deliver such new Debenture or Debentures upon receipt of the Debenture so surrendered or, with respect to an Uncertificated Debenture, the Depository shall electronically deposit the unpurchased part so surrendered.

Section 4.9 Deposit of Maturity Monies

Payment on maturity of Debentures shall be provided for by the Corporation depositing with the Trustee and Collateral Agent or any paying agent to the order of the Trustee and Collateral Agent, on or before 10:00 a.m. (Vancouver time) on the Business Day immediately prior to the Maturity Date, such sums of money as may be sufficient to pay any principal amount of Debentures and accrued and unpaid interest thereon up to but excluding the Maturity Date. The Corporation shall also deposit with the Trustee and Collateral Agent a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee and Collateral Agent in connection therewith. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee and Collateral Agent shall pay or cause to be paid to the holders of such Debentures, upon surrender of such Debentures, the principal and interest to which they are respectively entitled on the Maturity Date.

ARTICLE 5 – GUARANTEE

Section 5.1 Security

(1) The Corporation agrees to and agrees to cause the Guarantors to execute and deliver the Security Documents, in each case as continuing collateral security for the due, prompt

and complete payment, performance and satisfaction by the Corporation of all of their debts, liabilities and obligations to the Trustee and Collateral Agent and the Debentureholders under and in respect of the Indenture Documents and the Security Documents.

(2) The Security Documents shall be effective as of the date of this Indenture regardless of the date that the Debentures are issued or the date on which any money is advanced to the Corporation pursuant to the Indenture Documents.

Section 5.2 Priority of Security

The Security Documents and the Liens created thereunder are for the equal and rateable benefit and security of all holders of Debentures and the Trustee and Collateral Agent. Each holder of Debentures by his, her or its acceptance of the Debentures hereby (a) designates and appoints the Trustee and Collateral Agent to hold the Liens created by the Security Documents for the benefit of all holders of Debentures; (b) consents and agrees to the terms of the Security Documents, and (c) authorizes and directs the Trustee and Collateral Agent to execute and deliver any Security Documents and to perform its obligations and exercise its rights thereunder in accordance with this Indenture.

Section 5.3 After Acquired Property; Further Assurances

The Corporation shall forthwith, and from time to time, take such action and execute and deliver to the Trustee and Collateral Agent, on behalf of the holders of the Debentures such agreements, conveyances, deeds and other documents and instruments which are necessary or advisable as a result of any change in applicable law after the date hereof or as may be necessary to ensure that any additional interests in the Collateral of the Corporation, or the Guarantors, or in any asset of the Corporation, or the Guarantors, to be subject to a security interest pursuant to the terms hereof or the Security Documents are subject to the security interests created hereby and thereby, in each case for giving the Trustee and Collateral Agent a valid Lien upon the Collateral to secure the payment of all principal, interest and other amounts outstanding under the Indenture and the Debentures and the performance of all debts, liabilities and obligations of the Corporation to each of the holders of Debentures and the Trustee and Collateral Agent from time to time, under and in respect of the Indenture and the other Indenture Documents.

Section 5.4 Registration

(1) The Corporation shall, from time to time, at the expense of the Corporation:

(a) record, file, enter or register or cause to be recorded, filed, entered or registered, this Indenture and all other Indenture Documents, financing statements and all other instruments without delay, where necessary or advisable to perfect the Liens created by the Security Documents;

(b) renew or cause to be renewed the recordings, filings or registrations made in respect of the Security Documents from time to time as and when required to

maintain the perfection and intended priority of the Liens granted pursuant to the Security Documents; and

(c) deliver to the Trustee and Collateral Agent, on demand, certificates or other forms of confirmation acceptable to the Trustee and Collateral Agent establishing such registration or recording, and renew the same from time to time, if such renewal is necessary to preserve or protect the Liens created pursuant to the Security Documents.

(2) If the Corporation fails to perform its obligations under this Section 5.4, the Trustee and Collateral Agent may, in its sole discretion and without obligation or liability for doing so, perform any such obligation capable of being performed by it at the expense of the Corporation.

Section 5.5 No Impairment

Nothing contained in this Article 5 or elsewhere in this Indenture or in the Debentures is intended to or shall impair, as between the Corporation, its creditors, and the holders of the Debentures, the obligation of the Corporation, which is absolute and unconditional, to pay to the holders of Debentures the principal of, premium, if any, and interest on the Debentures, as and when the same shall become due and payable in accordance with their terms, or affect the relative rights of the holders of Debentures (subject to Section 5.2 hereof) and creditors of the Corporation, nor shall anything herein or therein prevent the Trustee and Collateral Agent or the holders of any Debentures from exercising all remedies otherwise permitted by applicable law upon default under this Indenture.

ARTICLE 6 – CONVERSION OF DEBENTURES

Section 6.1 Applicability of Article

(1) Any Debentures issued hereunder of any series which by their terms are convertible (subject, however, to any applicable restriction of the conversion of Debentures of such series) will be convertible into Units or other securities of the Corporation, at such conversion rate or rates, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and shall have been expressed in this Indenture (including subsection 2.5(6) and Section 3.7 hereof), in such Debentures, in an Officer's Certificate, or in a supplemental indenture authorizing or providing for the issue thereof.

(2) Such right of conversion shall extend only to the maximum number of whole Units into which the aggregate principal amount of the Debenture and any accrued or unpaid interests or Debentures surrendered for conversion at any one time by the holder thereof may be converted. Fractional interests in the Common Shares and Warrants comprising the Units shall be adjusted for in the manner provided in Section 6.6.

Section 6.2 Notice of Expiry of Conversion Privilege

Notice of the expiry of the conversion privileges of the Debentures shall be given by or on behalf of the Corporation, not more than 60 days and not less than 30 days prior to the date fixed for the Time of Expiry, in the manner provided in Section 12.2.

Section 6.3 Revival of Right to Convert

If the redemption of any Debenture called for redemption by the Corporation is not made or the payment of the purchase price of any Debenture which has been tendered in acceptance of an offer by the Corporation to purchase Debentures for cancellation is not made, in the case of a redemption upon due surrender of such Debenture or in the case of a purchase on the date on which such purchase is required to be made, as the case may be, then, provided the Time of Expiry has not passed, the right to convert such Debentures shall revive and continue as if such Debenture had not been called for redemption or tendered in acceptance of the Corporation's offer, respectively.

Section 6.4 Manner of Exercise of Right to Convert

(1) The holder of a Debenture Certificate desiring to convert such Debenture in whole or in part into Units shall surrender such Debenture Certificate to the Trustee and Collateral Agent at its principal office in Calgary, Alberta together with the conversion notice in the form of Schedule C or any other written notice in a form satisfactory to the Trustee and Collateral Agent, duly executed by the holder or its executors or administrators or other legal representatives or its or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee and Collateral Agent, exercising its right to convert such Debenture in accordance with the provisions of this Article; provided that with respect to an Uncertificated Debenture, registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system. Restricted Uncertificated Debentures and Restricted Physical Debentures shall be converted into Common Shares and Warrants comprised in the Units and marked to bear the U.S. Legend, and Unrestricted Uncertificated Debentures shall be converted into Common Shares and Warrants comprised in the Units. Upon the Trustee and Collateral Agent receiving an executed Conversion Notice as set out in Schedule C with the box therein being ticked, the Trustee and Collateral Agent will issue the Common Shares and Warrants comprising the Units without the U.S. Legend and the Trustee and Collateral Agent will issue the Warrants in accordance with the Warrant Indenture, the form of which is attached as Schedule H hereto. Thereupon such Debentureholder or, subject to compliance with the applicable terms and provisions hereof and payment of all applicable stamp or security transfer taxes or other governmental charges and compliance with all reasonable requirements of the Trustee and Collateral Agent, its nominee(s) or assignee(s) shall be entitled to be entered in the books of the Corporation as at the Date of Conversion (or such later date as is specified in Section 6.4(2)) as the holder of the number of Common Shares and Warrants comprising the Units, as applicable, into which such Debenture is convertible in accordance with the provisions of this Article and, as soon as practicable thereafter, the Corporation shall

deliver to such Debentureholder or, subject as aforesaid, its nominee(s) or assignee(s), a certificate, certificates or other electronic evidence of security for such Common Shares, and Warrants in accordance with the Warrant Indenture, or deposit such Common Shares and Warrants through the Depository's non-certificated system and make or cause to be made any payment of interest to which such holder is entitled in accordance with Section 6.4(5). With respect to a Global Debenture, the obligation to surrender a Debenture to the Trustee and Collateral Agent shall be satisfied if the Trustee and Collateral Agent makes a notation on the Global Debenture of the principal amount thereof so converted and the Trustee and Collateral Agent is provided with all other documentation which it may request.

(2) For the purposes of this Article 6, a Debenture shall be deemed to be surrendered for conversion on the date (herein called the "**Date of Conversion**") on which it is so surrendered when the register of the Trustee and Collateral Agent is open and in accordance with the provisions of this Article 6 on the date on which it is received by the Trustee and Collateral Agent at the principal offices of the Trustee and Collateral Agent in Calgary, Alberta; provided that if a Debenture is surrendered for conversion on a day on which the register of Common Shares or Warrants or Debentures is closed, the Person or Persons entitled to receive Common Shares and Warrants comprising the Units shall become the holder or holders of record of such Common Shares and Warrants as at the date on which such registers are next reopened.

(3) Any part, being $1,000 or an integral multiple thereof, of a Debenture in a denomination in excess of $1,000 may be converted as provided in this Article 6 and all references in this Indenture to conversion of Debentures shall be deemed to include conversion of such parts.

(4) The holder of any Debenture of which only a part is converted shall, upon the exercise of its right of conversion surrender such Debenture to the Trustee and Collateral Agent in accordance with Section 6.4(1), and the Trustee and Collateral Agent shall cancel the same and shall without charge forthwith certify and deliver to the holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered or, with respect to an Uncertificated Debenture, registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system.

(5) Except as may be otherwise expressly provided for at the time of issue of such Debentures, as expressed in this Indenture, in such Debentures, in an Officer's Certificate, or in a supplemental indenture authorizing or providing for the issue thereof, the holder of a Debenture surrendered for conversion in accordance with this Section 6.4 shall be entitled (subject to any applicable restriction on the right to receive interest on conversion of Debentures of any series) to receive accrued and unpaid interest in respect thereof, in cash, from, if applicable, the last Interest Payment Date prior to the Date of Conversion up to but excluding the Date of Conversion and the Common Shares comprising part of the Units issued upon such conversion shall participate only in respect of distributions or dividends declared in favour of shareholders of record on and after the

Date of Conversion or such later date as such holder shall become the holder of record of such Common Shares pursuant to Section 6.4(2), from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

Section 6.5 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

(a) If and whenever at any time prior to the Time of Expiry the Corporation shall

(i) subdivide or redivide the outstanding Common Shares into a greater number of shares,

(ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of shares, or

(iii) issue Common Shares or securities exchangeable or convertible into Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a dividend or distribution (other than the issue of Common Shares to holders of Common Shares who have elected to receive dividends or distributions in the form of Common Shares in lieu of cash dividends or cash distributions paid in the ordinary course on the Common Shares),

the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Common Shares by way of a dividend or distribution, as the case may be, shall in the case of any of the events referred to in (i) and (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, redivision or dividend, or shall, in the case of any of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation. Such adjustment shall be made successively whenever any event referred to in this Section 6.5(a) shall occur. Any such issue of Common Shares by way of a dividend or distribution shall be deemed to have been made on the record date for the dividend or distribution for the purpose of calculating the number of outstanding Common Shares under subsections (b) and (c) of this Section 6.5.

(b) If and whenever at any time prior to the Time of Expiry, the Corporation shall fix a record date for the payment of a cash dividend or distribution to the holders of all or substantially all of the outstanding Common Shares in respect of any period of time, the Conversion Price shall be adjusted immediately after such record date so that it shall be equal to the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the denominator shall

be the Current Market Price per Common Share on such record date and of which the numerator shall be the Current Market Price per Common Share on such record date minus the amount in cash per Common Share distributed to holders of Common Shares. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such cash dividend or distribution is not paid, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed.

(c) If and whenever at any time prior to the Time of Expiry the Corporation shall fix a record date for the issuance of options, rights or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible into Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible securities so offered are convertible). Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such options, rights or warrants are not so issued or any such options, rights or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect based upon the number of Common Shares (or securities convertible into Common Shares) actually issued upon the exercise of such options, rights or warrants were included in such fraction, as the case may be.

(d) If and whenever at any time prior to the Time of Expiry, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 6.5(a) or a consolidation, amalgamation, arrangement, share exchange, merger of the Corporation with or into any other Person or other entity or acquisition of the Corporation or other combination pursuant to which the Common Shares are converted into or acquired for cash, securities or other property; or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other Person (other than a direct or indirect wholly-owned Subsidiary of the Corporation) or other entity or a liquidation, dissolution or winding-up of the Corporation, any holder of a Debenture who has not exercised its right of conversion prior to the effective date

of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, share exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares and Warrants comprising the Units then sought to be acquired by it, such amount of cash or the number of shares or other securities or property of the Corporation or of the Person or other entity resulting from such merger, amalgamation, arrangement, acquisition, combination or consolidation, or to which such sale or conveyance may be made or which holders of Common Shares receive pursuant to such liquidation, dissolution or winding-up, as the case may be, that such holder of a Debenture would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, share exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, if, on the record date or the effective date thereof, as the case may be, the holder had been the registered holder of the number of Common Shares and Warrants comprising the Units sought to be acquired by it and to which it was entitled to acquire upon the exercise of the conversion right, subject to Section 6.5(m). If determined appropriate by the Board of Directors, to give effect to or to evidence the provisions of this Section 6.5(d), the Corporation, its successor, or such purchasing Person or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, share exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the holder of Debentures to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any cash, shares or other securities or property to which a holder of Debentures is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Trustee and Collateral Agent pursuant to the provisions of this Section 6.5(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 14. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing Person or other entity and the Trustee and Collateral Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 6.5(d) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, share exchanges, acquisitions, combinations, sales or conveyances. For greater certainty, nothing in this Section 6.5(d) shall affect or reduce the requirement for any Person to make a Change of Control Offer, and notice of any transaction to which this Section 6.5(d) applies shall be given in accordance with Section 6.9

(e) If the Corporation shall make a distribution to all or substantially all of the holders of Common Shares of shares in the capital of the Corporation, other than

Common Shares, or evidences of indebtedness or other assets of the Corporation, including securities (but excluding: (i) any issuance of rights or warrants for which an adjustment was made pursuant to Section 6.5(c); and (ii) any dividend or distribution paid exclusively in cash) (the "**Distributed Securities**"), then in each such case (unless the Corporation distributes such Distributed Securities to the holders of Debentures on such dividend or distribution date (as if each holder had converted such Debenture into Common Shares immediately preceding the record date with respect to such distribution)) the Conversion Price in effect immediately preceding the record date fixed for the determination of shareholders entitled to receive such dividend or distribution shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately preceding such record date by a fraction of which the denominator shall be the Current Market Price per Common Share on such record date and of which the numerator shall be the Current Market Price per Common Share on such record date less the fair market value (as determined by the Board of Directors, whose determination shall be conclusive evidence of such fair market value, subject to approval by the CSE (or such other Recognized Stock Exchange on which the Common Shares are listed for trading) and which shall be evidenced by an Officer's Certificate delivered to the Trustee and Collateral Agent) on such record date of the portion of the Distributed Securities so distributed applicable to one Common Share (determined on the basis of the number of Common Shares outstanding at the close of business on such record date). Such adjustment shall be made successively whenever any such distribution is made and shall become effective immediately after the record date for the determination of shareholders entitled to receive such distribution. In the event that such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price that would then be in effect if such dividend or distribution had not been declared. If the then fair market value (as so determined) of the portion of the Distributed Securities so distributed applicable to one Common Share is equal to or greater than the Current Market Price per Common Share on such record date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of a Debenture shall have the right to receive upon conversion the amount of Distributed Securities so distributed that such holder would have received had such holder converted each Debenture on such record date. If the Board of Directors determines the fair market value of any distribution for purposes of this clause (d) of Section 6.5 by reference to the actual or when issued trading market for any securities, it must in doing so consider the prices in such market over the same period used in computing the Current Market Price of the Common Shares.

(f) If any issuer bid made by the Corporation or any of its Subsidiaries for all or any portion of Common Shares shall expire, then, if the issuer bid shall require the payment to shareholders of consideration per Common Share having a fair market value (determined as provided below) that exceeds the Current Market Price on the last date (the "**Expiration Date**") tenders could have been made pursuant to such issuer bid (as it may be amended) (the last time at which such tenders could

have been made on the Expiration Date is hereinafter sometimes called the "**Expiration Time**"), the Conversion Price shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion Price in effect immediately preceding the close of business on the Expiration Date by a fraction of which (i) the denominator shall be the sum of (A) the fair market value of the aggregate consideration (the fair market value as determined by the Board of Directors, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an Officer's Certificate delivered to the Trustee and Collateral Agent) payable to shareholders based on the acceptance (up to any maximum specified in the terms of the issuer bid) of all Common Shares validly tendered and not withdrawn as of the Expiration Time (the Common Shares deemed so accepted, up to any such maximum, being referred to as the "**Purchased Common Shares**") and (B) the product of the number of Common Shares outstanding (less any Purchased Common Shares and excluding any Common Shares held in the treasury of the Corporation) at the Expiration Time and the Current Market Price on the Expiration Date and (ii) the numerator of which shall be the product of the number of Common Shares outstanding (including Purchased Common Shares but excluding any Common Shares held in the treasury of the Corporation) at the Expiration Time multiplied by the Current Market Price on the Expiration Date, such increase to become effective immediately preceding the opening of business on the day following the Expiration Date. In the event that the Corporation is obligated to purchase Common Shares pursuant to any such issuer bid, but the Corporation is permanently prevented by applicable law from effecting any or all such purchases or any or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would have been in effect based upon the number of Common Shares actually purchased, if any. If the application of this clause (f) of Section 6.5 to any issuer bid would result in a decrease in the Conversion Price, no adjustment shall be made for such issuer bid under this clause (f) of Section 6.5.

For purposes of this Section 6.5(f), the term "**issuer bid**" shall mean an issuer bid under Applicable Securities Legislation or a take-over bid under Applicable Securities Legislation by a Subsidiary of the Corporation for the Common Shares and all references to "purchases" of Common Shares in issuer bids (and all similar references) shall mean and include the purchase of Common Shares in issuer bids and all references to "tendered Common Shares" (and all similar references) shall mean and include Common Shares tendered in issuer bids.

(g) In any case in which this Section 6.5 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the holder of any Debenture converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such holder an

appropriate instrument evidencing such holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the Date of Conversion or such later date as such holder would, but for the provisions of this Section 6.5(g), have become the holder of record of such additional Common Shares pursuant to Section 6.4(2).

(h) The adjustments provided for in this Section 6.5 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 6.5, provided that, notwithstanding any other provision of this Section 6.5, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this Section 6.5(h) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(i) For the purpose of calculating the number of Common Shares outstanding, Common Shares owned by or for the benefit of the Corporation shall not be counted.

(j) In the event of any question arising with respect to the adjustments provided in this Section 6.5, such question shall be conclusively determined by a firm of nationally recognized chartered accountants appointed by the Corporation and acceptable to the Trustee and Collateral Agent (who may be the Auditors of the Corporation); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation, the Trustee and Collateral Agent, and the Debentureholders.

(k) In case the Corporation shall take any action (other than the payment of cash dividends) affecting the Common Shares other than action described in this Section 6.5, which in the opinion of the Board of Directors, would materially affect the rights of Debentureholders, the Conversion Price shall be adjusted in such manner and at such time, by action of the Board of Directors, as the Board of Directors, in their sole discretion may determine to be equitable in the circumstances, subject to Applicable Securities Legislation and the policies of the CSE. Failure of the directors to make such an adjustment shall be conclusive evidence that they have determined that it is equitable to make no adjustment in the circumstances**.**

(l) No adjustment in the Conversion Price shall be made in respect of any event described in Section 6.5(a), Section 6.5(b), Section 6.5(c), Section 6.5(e), Section 6.5(f) or Section 6.5(g) other than the events described in Section 6.5(a)(i) or Section 6.5(a)(ii) if the holders of the Debentures are entitled to participate in such event on the same terms *mutatis mutandis* as if they had converted their

Debentures prior to the effective date or record date, as the case may be, of such event.

(m) Except as stated above in this Section 6.5, no adjustment will be made in the Conversion Price for any Debentures as a result of the issuance of Common Shares at less than the Current Market Price on the date of issuance.

Section 6.6 No Requirement to Issue Fractional Common Shares or Warrants

The Corporation shall not be required to issue fractional Common Shares or Warrants upon the conversion of Debentures. If more than one Debenture shall be surrendered for conversion at one time by the same holder, the number of whole Common Shares or Warrants issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of such Debentures to be converted. If any fractional interest in a Common Share would, except for the provisions of this Section 6.6, be deliverable upon the conversion of any amount of Debentures, the Corporation shall, in lieu of delivering any certificate representing such fractional interest, make a cash payment to the holder of such Debenture of an amount equal to the fractional interest which would have been issuable multiplied by the Current Market Price, provided, however, the Corporation shall not be required to make any payment of less than $5.00.

Section 6.7 Corporation to Reserve Common Shares and Warrants

The Corporation covenants with the Trustee and Collateral Agent that it will at all times reserve and keep available out of its authorized Common Shares and Warrants (if the number thereof is or becomes limited), solely for the purpose of issue upon conversion of Debentures as in this Indenture provided, and conditionally allot to Debentureholders who may exercise their conversion rights hereunder, such number of Common Shares and Warrants as shall then be issuable upon the conversion of all outstanding Debentures. The Corporation covenants with the Trustee and Collateral Agent that all Common Shares comprised in the Units and all Common Shares issuable upon exercise of the warrants which shall be so issuable shall be duly and validly issued as fully-paid and non-assessable.

Section 6.8 Cancellation of Converted Debentures

All Debentures converted in whole or in part under the provisions of this Article 6 shall be forthwith delivered to and cancelled by the Trustee and Collateral Agent and no Debenture shall be issued in substitution for those converted.

Section 6.9 Certificate as to Adjustment

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 6.5, deliver an Officer's Certificate to the Trustee and Collateral Agent specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be verified by advice of a firm of

nationally recognized chartered accountants appointed by the Corporation and acceptable to the Trustee and Collateral Agent (who may be the Auditors of the Corporation) and shall be conclusive and binding on all parties in interest. The Trustee and Collateral Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation and any other document filed by the Corporation pursuant to this Article 6 for all purposes. When so approved, the Corporation shall forthwith give notice to the Debentureholders in the manner provided in Section 12.2 specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price; provided that, if the Corporation has given notice under Section 6.10 covering all the relevant facts in respect of such event and if the Trustee and Collateral Agent approves, no such notice need be given under this Section 6.9.

Section 6.10 Notice of Special Matters

(1) The Corporation covenants with the Trustee and Collateral Agent that so long as any Debenture remains outstanding, it will give notice to the Trustee and Collateral Agent, and to the Debentureholders in the manner provided in Section 12.2, of its intention to fix a record date for any event referred to in Section 6.5(a), Section 6.5(b), Section 6.5(c), Section 6.5(d), Section 6.5(e) (other than the subdivision, redivision, reduction, combination or consolidation of its Common Shares) which may give rise to an adjustment in the Conversion Price, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date.

(2) In addition, the Corporation covenants with the Trustee and Collateral Agent that so long as any Debenture remains outstanding, it will give notice to the Trustee and Collateral Agent, and to the Debentureholders in the manner provided in Section 12.2, at least 30 days prior to the (i) effective date of any transaction referred to in Section 6.5(d) stating the consideration into which the Debentures will be convertible after the effective date of such transaction, and (ii) Expiration Date of any transaction referred to in Section 6.5(f) stating the consideration paid per Common Share in such transaction.

Section 6.11 Protection of Trustee and Collateral Agent

The Trustee and Collateral Agent:

(a) shall not at any time be under any duty or responsibility to any Debentureholder to determine whether any facts exist which may require any adjustment in the Conversion Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property

which may at any time be issued or delivered upon the conversion of any Debenture; and

(c) shall not be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Common Shares or share certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants contained in this Article.

Section 6.12 U.S. Legend on Certain Common Shares and Warrants

All Common Shares and Warrants issued upon conversion of Restricted Debentures shall be represented by a certificate with a U.S. Legend for Common Shares and Warrants substantially in the form set forth in Section 2.15(1), and each certificate representing Common Shares and Warrants issued upon conversion of Debentures bearing the U.S. Legend shall have imprinted or otherwise reproduced thereon such legend or legends in substantially the form set forth in Section 2.15(1); provided that the U.S. Legend may be removed as described in the proviso to Section 2.15(1).

ARTICLE 7– COVENANTS OF THE CORPORATION

The Corporation hereby covenants and agrees with the Trustee and Collateral Agent for the benefit of the Trustee and Collateral Agent and the Debentureholders, that so long as any Debentures remain outstanding:

Section 7.1 To Pay Principal, Premium (if any) and Interest

The Corporation will duly and punctually pay or cause to be paid to every Debentureholder the principal of, premium (if any) and interest accrued on the Debentures of which it is the holder on the dates, at the places and in the manner mentioned herein and in the Debentures.

Section 7.2 To Pay Trustee and Collateral Agent's Remuneration

The Corporation will pay the Trustee and Collateral Agent reasonable remuneration for its services as Trustee and Collateral Agent hereunder and will repay to the Trustee and Collateral Agent on demand all monies which shall have been paid by the Trustee and Collateral Agent in connection with the execution of the trusts hereby created and such monies including the Trustee and Collateral Agent's remuneration, shall be payable out of any funds coming into the possession of the Trustee and Collateral Agent in priority to payment of any principal of the Debentures or interest or premium thereon. Such remuneration shall continue to be payable until the trusts hereof be finally wound up and whether or not the trusts of this Indenture shall be in the course of administration by or under the direction of a court of competent jurisdiction.

Section 7.3 To Give Notice of Default

The Corporation shall notify the Trustee and Collateral Agent and the Debentureholders immediately upon obtaining knowledge of any Event of Default hereunder.

Section 7.4 Preservation of Existence, etc.

Subject to the express provisions hereof, the Corporation will carry on and conduct its activities, and cause its Subsidiaries to carry on and conduct their businesses, in a business-like manner and in accordance with good business practices; and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and rights.

Section 7.5 Security Documents

The Corporation shall and shall cause each of the Guarantors to, perform and observe their obligations under the Security Documents and take any and all actions (including, without limitation, the covenants set forth in the Security Documents and in this Indenture) necessary or desirable to cause the Security Documents to create and maintain valid and enforceable, perfected, first-ranking security interests in and on all the Collateral, in favour of the Trustee and Collateral Agent, subject to no other Liens (other than Permitted Liens).

Section 7.6 Keeping of Books

The Corporation will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Corporation in accordance with generally accepted accounting principles.

Section 7.7 Annual Certificate of Compliance

The Corporation shall deliver to the Trustee and Collateral Agent, within 120 days after the end of each calendar year, (and at any reasonable time upon demand by the Trustee and Collateral Agent) an Officer's Certificate as to the knowledge of such officers of the Corporation who execute the Officer's Certificate of the Corporation's compliance with all conditions and covenants in this Indenture certifying that after reasonable investigation and inquiry, the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which could, with the giving of notice, lapse of time or otherwise, constitute an Event of Default hereunder, or if such is not the case, setting forth with reasonable particulars the circumstances of any failure to comply and steps taken or proposed to be taken to eliminate such circumstances and remedy such Event of Default, as the case may be.

Section 7.8 Performance of Covenants by Trustee and Collateral Agent

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Trustee and Collateral Agent may notify the Debentureholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debentureholders. All sums so expended or advanced by the Trustee and Collateral Agent shall be repayable as provided in Section 7.2. No such performance, expenditure or advance by the Trustee and Collateral Agent shall be deemed to relieve the Corporation of any default hereunder.

Section 7.9 Maintaining Listing

The Corporation will use its reasonable commercial efforts to maintain the listing of the Common Shares on the CSE, and to maintain the Corporation's status as a "reporting issuer" not in default of the requirements of the Applicable Securities Legislation; provided that the foregoing covenant shall not prevent or restrict the Corporation from carrying out a transaction to which Article 9 would apply if carried out in compliance with Article 9 even if as a result of such transaction the Corporation ceases to be a "reporting issuer" in all or any of the provinces of Canada or the Common Shares cease to be listed on the CSE or any other Recognized Stock Exchange.

Section 7.10 No Dividends on Common Shares if Event of Default

The Corporation shall not declare or pay any dividend to the holders of its issued and outstanding Common Shares after the occurrence of an Event of Default unless and until such default shall have been cured or waived or shall have ceased to exist.

Section 7.11 Withholding Matters

(1) All payments made by or on behalf of the Corporation under or with respect to the Debentures (including, without limitation, any penalties, interest and other liabilities related thereto) will be made free and clear of and without withholding, or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and other liabilities related hereto) imposed or levied by or on behalf of the Government of Canada or the United States or elsewhere, or of any province or territory thereof or by any authority or agency therein or thereof having power to tax ("**Withholding Taxes**"), unless the Corporation is required by law or the interpretation or administration thereof, to withhold or deduct any amounts for, or on account of Withholding Taxes. If the Corporation is so required to withhold or deduct any amount for, or on account of, Withholding Taxes from any payment made under or with respect to the Debentures, the Corporation shall deduct and withhold such Withholding Taxes from such payment and, provided that the Corporation forthwith remits such amount to the relevant governmental authority or agency, the amount of any such deduction or withholding will be considered an amount paid in satisfaction of the Corporation's obligations under the Debentures. There is no obligation on the Corporation to gross-up or pay additional amounts to a holder of Debentures in respect of such deductions or withholdings.

(2) The Corporation shall provide the Trustee and Collateral Agent with copies of receipts or other communications relating to the remittance of such withheld amount or the filing of any forms received from such government authority or agency promptly after receipt thereof.

Section 7.12 SEC Reporting Status

The Corporation confirms that as at the date of execution of this Indenture it does not have a class of securities registered pursuant to Section 12 of the *U.S. Securities Exchange Act* or have a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act.

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Securities Exchange Act or such Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by such Corporation in accordance with the U.S. Securities Exchange Act, such Corporation shall promptly deliver to the Trustee and Collateral Agent an Officers' Certificate (in a form provided by the Trustee and Collateral Agent) notifying the Trustee and Collateral Agent of such registration or termination and such other information as the Trustee and Collateral Agent may require at the time. The Corporation acknowledges that the Trustee and Collateral Agent is relying upon the foregoing representation and covenants in order to meet certain obligations under the U.S. Securities Exchange Act with respect to those clients who are filing with the SEC.

Section 7.13 Compliance by Subsidiaries

The Corporation shall cause all of its Subsidiaries to comply with the provisions of this Article 7 as if such Subsidiaries were expressly referred to in such provisions in replacement of references to the Corporation, mutatis mutandis.

Section 7.14 Restriction on Liens other than Permitted Liens

The Corporation will not create, incur, assume or otherwise cause or suffer to exist or become effective any Lien (other than Permitted Liens) securing indebtedness upon any Collateral whether now owned or hereafter acquired.

ARTICLE 8 – DEFAULT

Section 8.1 Events of Default

(1) Each of the following events constitutes, and is herein sometimes referred to as, an "**Event of Default**":

(a) failure for 30 days to pay interest on the Debentures when due;

(b) failure to pay principal or premium (whether by way of payment of cash or delivery of the Units upon conversion), if any, when due on the Debentures whether at maturity, redemption or a Change of Control, by declaration or otherwise;

(c) default in the delivery, when due, of any Units or other consideration, payable on conversion of the Debentures, which default continues for 3 Business Days days;

(d) default in the observance or performance of any covenant or condition of the Indenture or any other Indenture Document by the Corporation and the failure to cure (or obtain a waiver for) such default for a period of 60 days after notice in writing has been given by the Trustee and Collateral Agent or from holders of not less than 25% in aggregate principal amount of the Debentures then outstanding to the Corporation specifying such default and requiring the Corporation to rectify such default or obtain a waiver for same;

(e) the Security Documents cease to be in full force and effect or if any Security Document ceases to constitute a valid and perfected first priority Lien (subject only to Permitted Lien) upon all the Collateral it purports to charge or encumber, in favour of the Trustee and Collateral Agent for the benefit of the holders of the Debentures;

(f) if a decree or order of a Court having jurisdiction is entered adjudging the Corporation or any Material Subsidiary a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of the Corporation or any Material Subsidiary, or appointing a receiver of, or of any substantial part of, the property of the Corporation or any Material Subsidiary or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 60 days;

(g) if the Corporation or any Material Subsidiary institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of the Corporation or any Material Subsidiary or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due;

(h) if a resolution is passed for the winding-up or liquidation of the Corporation or any Material Subsidiary except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Section 10.1 are duly observed and performed;

(i) if, after the date of this Indenture, any proceedings with respect to the Corporation or any Material Subsidiary are taken with respect to a compromise or arrangement, with respect to creditors of the Corporation or any Material Subsidiary generally, under the applicable legislation of any jurisdiction, or

(j) if a creditor takes possession of the Collateral or a substantial part thereof or if any process or execution is levied or enforced upon or against the Collateral or a substantial part thereof and remains unsatisfied for such period as would permit

any such property to be sold thereunder, unless such process is in good faith disputed by the Corporation, and the Corporation gives or causes to be given security which is sufficient to pay in full the amount thereby claimed in case the claim is held to be valid,

then: (i) in each and every such event listed above, the Trustee and Collateral Agent may, in its discretion, but subject to the provisions of this Section 8.1, and shall, upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding (or if the Event of Default shall exist only in respect of one or more series of the Debentures then outstanding, then upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures of such series then outstanding), subject to the provisions of Section 8.3, by notice in writing to the Corporation declare the principal of and interest and premium, if any, on all Debentures then outstanding and all other monies outstanding hereunder to be due and payable and the same shall thereupon forthwith become immediately due and payable (or, if the Event of Default shall exist only in respect of one or more series of the Debentures then outstanding, then the Trustee and Collateral Agent may declare due and payable the principal and interest and premium, if any, only with respect to such Debentures in respect of which there is an Event of Default) to the Trustee and Collateral Agent, and (ii) on the occurrence of an Event of Default under clauses Section 8.1(1)(f), Section 8.1(1)(g), Section 8.1(1)(h) or Section 8.1(1)(i), the principal of and interest and premium, if any, on all Debentures then outstanding hereunder and all other monies outstanding hereunder, shall automatically without any declaration or other act on the part of the Trustee and Collateral Agent or any Debentureholder become immediately due and payable to the Trustee and Collateral Agent and, in either case, upon such amounts becoming due and payable in either (i) or (ii) above, the Corporation shall forthwith pay to the Trustee and Collateral Agent for the benefit of the Debentureholders such principal, accrued and unpaid interest and premium, if any, and interest on amounts in default on such Debenture and all other monies outstanding hereunder, together with subsequent interest at the rate borne by the Debentures on such principal, interest, premium and such other monies from the date of such declaration or event until payment is received by the Trustee and Collateral Agent, such subsequent interest to be payable at the times and places and in the manner mentioned in and according to the tenor of the Debentures. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any monies so received by the Trustee and Collateral Agent shall be applied in the manner provided in Section 8.6.

(2) For purposes of this Article 8, where the Event of Default refers to an Event of Default with respect to a particular series of Debentures as described in this Section 8.1, then this Article 8 shall apply *mutatis mutandis* to the Debentures of such series and references in this Article 8 to the Debentures shall mean Debentures of the particular series and references to the Debentureholders shall refer to the Debentureholders of the particular series, as applicable.

Section 8.2 Notice of Events of Default

If an Event of Default shall occur and be continuing the Trustee and Collateral Agent shall, within 30 days following an Event of Default or after it receives written notice of the

occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 11.2, provided that notwithstanding the foregoing, unless the Trustee and Collateral Agent shall have been requested to do so by the holders of at least 25% of the principal amount of the Debentures then outstanding, the Trustee and Collateral Agent shall not be required to give such notice if the Trustee and Collateral Agent in good faith shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Corporation in writing.

When notice of the occurrence of an Event of Default has been given and the Event of Default is thereafter cured, notice that the Event of Default is no longer continuing shall be given by the Trustee and Collateral Agent to the Debentureholders within 15 days after the Trustee and Collateral Agent becomes aware the Event of Default has been cured.

Section 8.3 Waiver of Default

(1) Upon the happening of any Event of Default hereunder:

(a) the holders of the Debentures shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing by the holders of more than 50% of the principal amount of Debentures then outstanding, to instruct the Trustee and Collateral Agent to waive any Event of Default and to cancel any declaration made by the Trustee and Collateral Agent pursuant to Section 8.1 and the Trustee and Collateral Agent shall thereupon waive the Event of Default and cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition; provided that notwithstanding the foregoing if the Event of Default has occurred by reason of the non-observance or non-performance by the Corporation of any covenant applicable only to one or more series of Debentures, then the holders of more than 50% of the principal amount of the outstanding Debentures of that series shall be entitled to exercise the foregoing power and the Trustee and Collateral Agent shall so act and it shall not be necessary to obtain a waiver from the holders of any other series of Debentures; and

(b) the Trustee and Collateral Agent, so long as it has not become bound to declare the principal and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive any Event of Default if, in the Trustee and Collateral Agent's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Trustee and Collateral Agent in the exercise of its discretion, upon such terms and conditions as the Trustee and Collateral Agent may deem advisable.

(2) No such act or omission either of the Trustee and Collateral Agent or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

Section 8.4 Enforcement by the Trustee and Collateral Agent

(1) Subject to the provisions of Section 8.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders, if the Corporation shall fail to pay to the Trustee and Collateral Agent, forthwith after the same shall have been declared to be due and payable under Section 8.1, the principal of and premium (if any) and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Trustee and Collateral Agent may in its discretion and shall upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such principal of and premium (if any) and interest on all the Debentures then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Trustee and Collateral Agent in such request shall have been directed to take, or if such request contains no such direction, or if the Trustee and Collateral Agent shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Trustee and Collateral Agent shall deem expedient.

(2) The Trustee and Collateral Agent shall be entitled and empowered, either in its own name or as Trustee and Collateral Agent of an express trust, or as attorney-in-fact for the holders of the Debentures, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and Collateral Agent and of the holders of the Debentures allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Corporation or its creditors or relative to or affecting its property. The Trustee and Collateral Agent is hereby irrevocably appointed (and the successive respective holders of the Debentures by taking and holding the same shall be conclusively deemed to have so appointed the Trustee and Collateral Agent) the true and lawful attorney-in-fact of the respective holders of the Debentures with authority to make and file in the respective names of the holders of the Debentures or on behalf of the holders of the Debentures as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the holders of the Debentures themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Debentures, as may be necessary or advisable in the opinion of the Trustee and Collateral Agent, in order to have the respective claims of the Trustee and Collateral Agent and of the holders of the Debentures against the Corporation or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that subject to Section 8.3, nothing contained in this Indenture shall be deemed to give to the Trustee and Collateral Agent, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan of reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Debentureholder.

(3) The Trustee and Collateral Agent shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders.

(4) All rights of action hereunder may be enforced by the Trustee and Collateral Agent without the possession of any of the Debentures or the production thereof on the trial or other proceedings relating thereto.

(5) Any such suit or proceeding instituted by the Trustee and Collateral Agent shall be brought in the name of the Trustee and Collateral Agent as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the holders of the Debentures subject to the provisions of this Indenture. In any proceeding brought by the Trustee and Collateral Agent (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Trustee and Collateral Agent shall be a party) the Trustee and Collateral Agent shall be held to represent all the holders of the Debentures, and it shall not be necessary to make any holders of the Debentures parties to any such proceeding.

(6) If the Trustee and Collateral Agent has become entitled to enforce the security interests with respect to the Collateral, in addition to any right or remedy arising under the this Indenture or pursuant to applicable laws, the Trustee and Collateral Agent, by itself, its officers, its agents or its attorneys, may, in its discretion, as advised by its counsel, exercise any and all rights granted to the Trustee and Collateral Agent in any of the Security Documents.

Section 8.5 No Suits by Debentureholders

Subject to any rights or remedies available to the Trustee and Collateral Agent and the Debentureholders under applicable law or otherwise, no holder of any Debenture shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Corporation wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) the Debentureholders by Extraordinary Resolution or by written instrument signed by the holders of at least 25% in principal amount of the Debentures then outstanding shall have made a request to the Trustee and Collateral Agent and the Trustee and Collateral Agent shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (b) the Debentureholders or any of them shall have furnished to the Trustee and Collateral Agent, when so requested by the Trustee and Collateral Agent, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (c) the Trustee and Collateral Agent shall have failed to act within a reasonable time after such notification, request and offer of indemnity and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee and Collateral

Agent, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures.

Section 8.6 Application of Monies by Trustee and Collateral Agent

(1) Except as herein otherwise expressly provided, any monies received by the Trustee and Collateral Agent from the Corporation pursuant to the foregoing provisions of this Article 8, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of the Corporation, shall be applied, together with any other monies in the hands of the Trustee and Collateral Agent available for such purpose, as follows:

(a) first, in payment or in reimbursement to the Trustee and Collateral Agent of its compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee and Collateral Agent in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;

(b) second, if and to the extent that the Trustee and Collateral Agent deems it in the interest of the holders of Debentures generally, in payment of all Liens (if any) on the Collateral ranking or capable of ranking in priority to the Liens constituted by the Security Documents or to keep in good standing any such prior Liens;

(c) third, but subject as hereinafter in this Section 8.6 provided, in payment, rateably and proportionately to the holders of Debentures, of the principal of and premium (if any) and accrued and unpaid interest and interest on amounts in default on the Debentures which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and in that case in such order or priority as between principal, premium (if any) and interest as may be directed by such resolution; and

(d) fourth, in payment of the surplus, if any, of such monies to the Corporation or its assigns;

provided, however, that no payment shall be made pursuant to clause (c) above in respect of the principal, premium or interest on any Debenture held, directly or indirectly, by or for the benefit of the Corporation or any of its Subsidiaries (other than any Debenture pledged for value and in good faith to a Person other than the Corporation or any of its Subsidiaries but only to the extent of such person's interest therein) except subject to the prior payment in full of the principal, premium (if any) and interest (if any) on all Debentures which are not so held.

(2) The Trustee and Collateral Agent shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving thereout such amount as the Trustee and Collateral Agent may think necessary to provide for the payments mentioned in Section 8.6(1), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same

as provided in Section 13.8 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment in distribution hereunder.

Section 8.7 Notice of Payment by Trustee and Collateral Agent

Not less than 15 days' notice shall be given in the manner provided in Section 12.2 by the Trustee and Collateral Agent to the Debentureholders of any payment to be made under this Article 8. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Debentureholders will be entitled to interest only on the balance (if any) of the principal monies, premium (if any) and interest due (if any) to them, respectively, on the Debentures, after deduction of the respective amounts payable in respect thereof on the day so fixed.

Section 8.8 Trustee and Collateral Agent May Demand Production of Debentures

The Trustee and Collateral Agent shall have the right to demand production of the Debentures in respect of which any payment of principal, interest or premium required by this Article 8 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee and Collateral Agent may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Corporation as the Trustee and Collateral Agent shall deem sufficient.

Section 8.9 Remedies Cumulative

No remedy herein conferred upon or reserved to the Trustee and Collateral Agent, or upon or to the holders of Debentures is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

Section 8.10 Judgment Against the Corporation

The Corporation covenants and agrees with the Trustee and Collateral Agent that, in case of any judicial or other proceedings to enforce the rights of the Debentureholders, judgment may be rendered against it in favour of the Debentureholders or in favour of the Trustee and Collateral Agent, as trustee for the Debentureholders, for any amount which may remain due in respect of the Debentures and premium (if any) and the interest thereon and any other monies owing hereunder.

Section 8.11 Immunity of Directors, Officers and Others

The Debentureholders and the Trustee and Collateral Agent hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director or employee of the Corporation or holders of Common Shares

or Warrants of the Corporation or of any successor for the payment of the principal of or premium or interest on any of the Debentures or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Debentures.

ARTICLE 9 – SATISFACTION AND DISCHARGE

Section 9.1 Cancellation and Destruction

All Debentures shall forthwith after payment thereof be delivered to the Trustee and Collateral Agent and cancelled by it. All Debentures cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee and Collateral Agent and, if required by the Corporation, the Trustee and Collateral Agent shall furnish to it a destruction certificate setting out the designating numbers of the Debentures so destroyed.

Section 9.2 Non-Presentation of Debentures

In case the holder of any Debenture shall fail to present the same for payment on the date on which the principal of, premium (if any) or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Trustee and Collateral Agent may require:

(a) the Corporation shall be entitled to pay or deliver to the Trustee and Collateral Agent and direct it to set aside; or

(b) in respect of monies in the hands of the Trustee and Collateral Agent which may or should be applied to the payment of the Debentures, the Corporation shall be entitled to direct the Trustee and Collateral Agent to set aside;

the monies in trust to be paid to the holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal of, premium (if any) or the interest payable on or represented by each Debenture in respect whereof such monies have been set aside shall be deemed to have been paid and the holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the monies so set aside by the Trustee and Collateral Agent upon due presentation and surrender thereof, subject always to the provisions of Section 9.3.

Section 9.3 Repayment of Unclaimed Monies

Subject to applicable law, any monies set aside under Section 9.2 and not claimed by and paid to holders of Debentures as provided in Section 9.2 within six years after the date of such setting aside shall be repaid and delivered to the Corporation by the Trustee and Collateral Agent and thereupon the Trustee and Collateral Agent shall be released from all further liability with respect to such monies and thereafter the holders of the Debentures in respect of which such monies were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment and delivery of the monies from the Corporation.

Section 9.4 Discharge

The Trustee and Collateral Agent shall at the written request of the Corporation release and discharge this Indenture, and the Security Documents and the Liens constituted thereby, and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and to release the Corporation from its covenants herein contained (other than the provisions relating to the indemnification of the Trustee and Collateral Agent), upon proof being given to the reasonable satisfaction of the Trustee and Collateral Agent that the principal of, premium (if any) and interest (including interest on amounts in default, if any), on all the Debentures and all other monies payable hereunder have been paid or satisfied or that all the Debentures having matured or having been duly called for redemption, payment of the principal of and interest (including interest on amounts in default, if any) on such Debentures and of all other monies payable hereunder has been duly and effectually provided for in accordance with the provisions hereof.

Section 9.5 Satisfaction

(1) The Corporation shall be deemed to have fully paid, satisfied and discharged all of the outstanding Debentures of any series and the Trustee and Collateral Agent, at the expense of the Corporation, shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of such Debentures, when, with respect to all of the outstanding Debentures or all of the outstanding Debentures of any series, as applicable:

(a) the Corporation has deposited or caused to be deposited with the Trustee and Collateral Agent as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in money sufficient to pay, satisfy and discharge the entire amount of principal of, premium, if any, and interest, if any, to maturity, or any repayment date, or any Change of Control Purchase Date, or upon conversion or otherwise as the case may be, of such Debentures;

(b) the Corporation has deposited or caused to be deposited with the Trustee and Collateral Agent as trust property in trust for the purpose of making payment on such Debentures:

(i) if the Debentures are issued in United States dollars, such amount in United States dollars of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of the United States; or

(ii) if the Debentures are issued in a currency or currency unit other than United States dollars, cash in the currency or currency unit in which the Debentures are payable and/or such amount in such currency or currency unit of direct obligations of, or obligations the principal and interest of which are guaranteed by, the government that issued the currency or currency unit in which the Debentures are payable;

as will be sufficient to pay and discharge the entire amount of principal of, premium, if any on, and accrued and unpaid interest to maturity or any repayment date, as the case may be, of all such Debentures; or

(c) all Debentures Authenticated and delivered (other than (i) Debentures which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.11 and (ii) Debentures for whose payment has been deposited in trust and thereafter repaid to the Corporation as provided in Section 9.3) have been delivered to the Trustee and Collateral Agent for cancellation;

so long as in any such event:

(d) the Corporation has paid, caused to be paid or made provisions to the satisfaction of the Trustee and Collateral Agent for the payment of all other sums payable or which may be payable with respect to all of such Debentures (together with all applicable expenses of the Trustee and Collateral Agent in connection with the payment of such Debentures); and

(e) the Corporation has delivered to the Trustee and Collateral Agent an Officer's Certificate stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of all such Debentures have been complied with.

Any deposits with the Trustee and Collateral Agent referred to in this Section 9.5 shall be irrevocable, subject to Section 9.6, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and Collateral Agent and which provides for the due and punctual payment of the principal of, premium, if any, and interest on the Debentures being satisfied.

(2) Upon the satisfaction of the conditions set forth in this Section 9.5 with respect to all the outstanding Debentures, or all the outstanding Debentures of any series, as applicable, the terms and conditions of the Debentures, including the terms and conditions with respect thereto set forth in this Indenture (other than those contained in Article 2 and Article 4 and the provisions of Article 1 pertaining to Article 2 and Article 4) shall no longer be binding upon or applicable to the Corporation.

(3) Any funds or obligations deposited with the Trustee and Collateral Agent pursuant to this Section 9.5 shall be denominated in the currency or denomination of the Debentures in respect of which such deposit is made.

(4) If the Trustee and Collateral Agent is unable to apply any money or securities in accordance with this Section 9.5 by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Corporation's obligations under this Indenture and the affected Debentures shall be revived and reinstated as though no money or securities had been deposited pursuant to this Section 9.5 until such time as the Trustee and Collateral Agent is permitted to apply all such money or securities in accordance with this

Section 9.5, provided that if the Corporation has made any payment in respect of principal of, premium, if any, or interest on Debentures or, as applicable, other amounts because of the reinstatement of its obligations, the Corporation shall be subrogated to the rights of the holders of such Debentures to receive such payment from the money or securities held by the Trustee and Collateral Agent.

Section 9.6 Continuance of Rights, Duties and Obligations

(1) Where trust funds or trust property have been deposited pursuant to Section 9.5, the holders of Debentures and the Corporation shall continue to have and be subject to their respective rights, duties and obligations under Article 2, Article 4 and Article 6.

(2) In the event that, after the deposit of trust funds or trust property pursuant to Section 9.5 in respect of a series of Debentures (the "**Defeased Debentures**"), any holder of any of the Defeased Debentures from time to time converts its Debentures to Units or other securities of the Corporation in accordance with Section 2.5 (in respect of Initial Debentures or the comparable provision of any other series of Debentures), Article 6 or any other provision of this Indenture, the Trustee and Collateral Agent shall upon receipt of a Written Direction of the Corporation return to the Corporation from time to time the proportionate amount of the trust funds or other trust property deposited with the Trustee and Collateral Agent pursuant to Section 9.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures so converted (which amount shall be based on the applicable principal amount of the Defeased Debentures being converted in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

(3) In the event that, after the deposit of trust funds or trust property pursuant to Section 9.5, the Corporation is required to make a Change of Control Offer to purchase any outstanding Debentures pursuant to subsection 2.5(8) (in respect of Initial Debentures or the comparable provision of any other series of Debentures), in relation to Initial Debentures or to make an offer to purchase Debentures pursuant to any other similar provisions relating to any other series of Debentures, the Corporation shall be entitled to use any trust money or trust property deposited with the Trustee and Collateral Agent pursuant to Section 9.5 for the purpose of paying to any holders of Defeased Debentures who have accepted any such offer of the Corporation the Offer Price payable to such holders in respect of such Change of Control Offer in respect of Initial Debentures (or the total offer price payable in respect of an offer relating to any other series of Debentures). Upon receipt of a written direction from the Corporation, the Trustee and Collateral Agent shall be entitled to pay to such holder from such trust money or trust property deposited with the Trustee and Collateral Agent pursuant to Section 9.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures held by such holders who have accepted any such offer to the Corporation (which amount shall be based on the applicable principal amount of the Defeased Debentures held by accepting offerees in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

ARTICLE 10 – SUCCESSORS

Section 10.1 Corporation may Consolidate, etc., Only on Certain Terms

(1) The Corporation may not, without the consent of the holders of the Debentures by Extraordinary Resolution hereunder, consolidate with or amalgamate or merge with or into any Person (other than a directly or indirectly wholly-owned Subsidiary of the Corporation) or sell, convey, transfer or lease all or substantially all of the properties and assets of the Corporation to another Person (other than a directly or indirectly wholly-owned Subsidiary of the Corporation) unless:

(a) the Person formed by such consolidation or into which the Corporation is amalgamated or merged, or the Person which acquires by sale, conveyance, transfer or lease all or substantially all of the properties and assets of the Corporation expressly assumes, by an indenture supplemental hereto, executed and delivered to the Trustee and Collateral Agent, in form satisfactory to the Trustee and Collateral Agent, the obligations of the Corporation under the Debentures and this Indenture and the performance or observance of every covenant and provision of this Indenture, the Indenture Documents and the Debentures required on the part of the Corporation to be performed or observed and the conversion rights shall be provided for in accordance with Article 6, by supplemental indenture satisfactory in form to the Trustee and Collateral Agent, executed and delivered to the Trustee and Collateral Agent, by the Person formed by such consolidation or into which the Corporation shall have been merged or by the Person which shall have acquired the Corporation's assets;

(b) after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(c) if the Corporation or the continuing corporation resulting from the amalgamation or merger of the Corporation with another Person will not be the resulting, continuing or surviving corporation, the Corporation shall have, at or prior to the effective date of such consolidation, amalgamation, merger or sale, conveyance, transfer or lease, delivered to the Trustee and Collateral Agent an Officer's Certificate and an opinion of Counsel, each stating that such consolidation, merger or transfer complies with this Article 10 and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article 10, and that all conditions precedent herein provided for relating to such transaction have been complied with.

(2) For purposes of the foregoing, the sale, conveyance, transfer or lease (in a single transaction or a series of related transactions) of the properties or assets of one or more Subsidiaries of the Corporation (other than to the Corporation or another wholly-owned Subsidiary of the Corporation), which, if such properties or assets were directly owned by the Corporation, would constitute all or substantially all of the properties and assets of the

Corporation and its Subsidiaries, taken as a whole, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Corporation.

Section 10.2 Successor Substituted

Upon any consolidation of the Corporation with, or amalgamation or merger of the Corporation into, any other Person or any sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Corporation and its Subsidiaries, taken as a whole, in accordance with Section 10.1, the successor Person formed by such consolidation or into which the Corporation is amalgamated or merged or to which such sale, conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Corporation under this Indenture with the same effect as if such successor Person had been named as the Corporation herein, and thereafter, except in the case of a lease, and except for obligations the predecessor Person may have under a supplemental indenture entered into pursuant to Section 10.1(1)(c), the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Debentures.

ARTICLE 11 – MEETINGS OF DEBENTUREHOLDERS

Section 11.1 Right to Convene Meeting

The Trustee and Collateral Agent or the Corporation may at any time and from time to time, and the Trustee and Collateral Agent shall, on receipt of a Written Direction of the Corporation or a written request signed by the holders of not less than 25% of the principal amount of the Debentures then outstanding and upon receiving funding and being indemnified to its reasonable satisfaction by the Corporation or by the Debentureholders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Debentureholders. In the event of the Trustee and Collateral Agent failing, within 30 days after receipt of any such request and such funding of indemnity, to give notice convening a meeting, the Corporation or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver or at such other place as may be approved or determined by the Trustee and Collateral Agent. Any meeting held pursuant to this Article 11 may be done through a virtual or electronic meeting platform.

Section 11.2 Notice of Meetings

(1) At least 21 days' notice of any meeting shall be given to the Debentureholders in the manner provided in Section 12.2 and a copy of such notice shall be sent by post to the Trustee and Collateral Agent, unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 11. The accidental omission to give notice of a meeting to any holder of Debentures shall not invalidate any resolution passed at any such meeting. A holder may waive notice of a meeting either before or after the meeting.

(2) If the business to be transacted at any meeting by Extraordinary Resolution or otherwise, or any action to be taken or power exercised by instrument in writing under Section 11.15, especially affects the rights of holders of Debentures of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of Debentures of any other series are affected (determined as provided in subsections 11.2(3) and (4)), then:

(a) a reference to such fact, indicating each series of Debentures in the opinion of the Trustee and Collateral Agent so especially affected (hereinafter referred to as the "especially affected series") shall be made in the notice of such meeting, and in any such case the meeting shall be and be deemed to be and is herein referred to as a "**Serial Meeting**"; and

(b) the holders of Debentures of an especially affected series shall not be bound by any action taken at a Serial Meeting or by instrument in writing under Section 11.15 unless in addition to compliance with the other provisions of this Article 11:

(i) at such Serial Meeting: (A) there are Debentureholders present in person or by proxy and representing at least 25% in principal amount of the Debentures then outstanding of such series, subject to the provisions of this Article 11 as to quorum at adjourned meetings; and (B) the resolution is passed by the affirmative vote of the holders of more than 50% (or in the case of an Extraordinary Resolution not less than 66⅔%) of the principal amount of the Debentures of such series then outstanding; or

(ii) in the case of action taken or power exercised by instrument in writing under Section 11.15, such instrument is signed in one or more counterparts by the holders of not less than 66⅔% in principal amount of the Debentures of such series then outstanding.

(3) Subject to Section 11.2(4), the determination as to whether any business to be transacted at a meeting of Debentureholders, or any action to be taken or power to be exercised by instrument in writing under Section 11.15, especially affects the rights of the Debentureholders of one or more series in a manner or to an extent differing in any material way from that in or to which it affects the rights of Debentureholders of any other series (and is therefore an especially affected series) shall be determined by an opinion of Counsel, which shall be binding on all Debentureholders, the Trustee and Collateral Agent and the Corporation for all purposes hereof.

(4) A proposal:

(a) to extend the maturity of Debentures of any particular series or to reduce the principal amount thereof, the rate of interest or redemption premium thereon or to impair any conversion right thereof;

(b) to modify or terminate any covenant or agreement which by its terms is effective only so long as Debentures of a particular series are outstanding; or

(c) to reduce with respect to Debentureholders of any particular series any percentage stated in this Section 11.2 or Sections 11.4, 11.12 and 11.15;

shall be deemed to especially affect the rights of the Debentureholders of such series in a manner differing in a material way from that in which it affects the rights of holders of Debentures of any other series, whether or not a similar extension, reduction, modification or termination is proposed with respect to Debentures of any or all other series.

Section 11.3 Chairman

Some person, who need not be a Debentureholder, nominated in writing by the Trustee and Collateral Agent shall be chairman of the meeting and if no Person is so nominated, or if the Person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Debentureholders present in person or by proxy shall choose some Person present to be chairman.

Section 11.4 Quorum

Subject to the provisions of Section 11.12, at any meeting of the Debentureholders a quorum shall consist of Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Debentures and, if the meeting is a Serial Meeting, at least 25% of the Debentures then outstanding of each especially affected series. If a quorum of the Debentureholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Debentureholders or pursuant to a request of the Debentureholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place to the extent possible and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or by proxy shall, subject to the provisions of Section 11.12, constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the outstanding Debentures or of the Debentures then outstanding of each especially affected series. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum is present at the commencement of business.

Section 11.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Debentureholders is present may, with the consent of the holders of a majority in principal amount of the Debentures represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

Section 11.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 11.7, be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Debentures, if any, held by him.

Section 11.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Debentureholders or proxies for Debentureholders, a poll shall be taken in such manner and either at once or after an adjournment as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the holders of a majority in principal amount of the Debentures and of each especially affected series, if applicable, represented at the meeting and voted on the poll.

Section 11.8 Voting

On a show of hands every Person who is present and entitled to vote, whether as a Debentureholder or as proxy for one or more Debentureholders or both, shall have one vote. On a poll each Debentureholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each $1,000 principal amount of Debentures of which he shall then be the holder. In the case of any Debenture denominated in a currency or currency unit other than United States dollars, the principal amount thereof for these purposes shall be computed in United States dollars on the basis of the conversion of the principal amount thereof at the applicable spot buying rate of exchange for such other currency or currency unit as reported by the Bank of Canada at the close of business on the Business Day next preceding the meeting. Any fractional amounts resulting from such conversion shall be rounded to the nearest $100. A proxy need not be a Debentureholder. In the case of joint holders of a Debenture, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint holders.

Section 11.9 Proxies

A Debentureholder may be present and vote at any meeting of Debentureholders by an authorized representative. The Corporation (in case it convenes the meeting) or the Trustee and Collateral Agent (in any other case) for the purpose of enabling the Debentureholders to be present and vote at any meeting without producing their Debentures, and of enabling them to be present and vote at any such meeting by proxy and of lodging instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time

make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

(a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Debentureholder;

(b) the deposit of instruments appointing proxies at such place as the Trustee and Collateral Agent, the Corporation or the Debentureholder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited; and

(c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, or sent by other electronic means before the meeting to the Corporation or to the Trustee and Collateral Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Debentures, or as entitled to vote or be present at the meeting in respect thereof, shall be Debentureholders and persons whom Debentureholders have by instrument in writing duly appointed as their proxies.

Section 11.10 Persons Entitled to Attend Meetings

The Corporation and the Trustee and Collateral Agent, by their respective officers and directors, the Auditors of the Corporation and the legal advisors of the Corporation, the Trustee and Collateral Agent and any Debentureholder may attend any meeting of the Debentureholders, but shall have no vote as such.

Section 11.11 Powers Exercisable by Extraordinary Resolution

(1) In addition to the powers conferred upon them by any other provisions of this Indenture or by law, a meeting of the Debentureholders shall have the following powers exercisable from time to time by Extraordinary Resolution (subject in the case of the matters in paragraphs (a) – (d) and (l) to the prior approval of the Recognized Stock Exchange on which the Common Shares are listed for trading):

(a) power to authorize the Trustee and Collateral Agent to grant extensions of time for payment of any principal, premium or interest on the Debentures, whether or not the principal, premium, or interest, the payment of which is extended, is at the time due or overdue;

(b) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Trustee and Collateral Agent (with its consent) against the Corporation, or against its property, whether such rights arise under this Indenture or the Debentures or otherwise;

(c) power to assent to any modification of or change in or addition to or omission from the provisions contained in any Indenture Document or any Debenture which shall be agreed to by the Corporation and to authorize the Trustee and Collateral Agent to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;

(d) power to sanction any scheme for the reconstruction, reorganization or recapitalization of the Corporation or for the consolidation, amalgamation, arrangement, combination or merger of the Corporation with any other Person or for the sale, leasing, transfer or other disposition of all or substantially all of the undertaking, property and assets of the Corporation or any part thereof, provided that no such sanction shall be necessary in respect of any such transaction if the provisions of Section 10.1 shall have been complied with;

(e) power to direct or authorize the Trustee and Collateral Agent to exercise any power, right, remedy or authority given to it by any of the Indenture Documents in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;

(f) power to waive, and direct the Trustee and Collateral Agent to waive, any default hereunder and/or cancel any declaration made by the Trustee and Collateral Agent pursuant to Section 8.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;

(g) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal, premium or interest on the Debentures, or for the execution of any trust or power hereunder;

(h) power to direct any Debentureholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 8.5, of the costs, charges and expenses reasonably and properly incurred by such Debentureholder in connection therewith;

(i) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation;

(j) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee and Collateral Agent to exercise, on behalf of the

Debentureholders, such of the powers of the Debentureholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee. The resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Debentureholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings and the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debentureholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;

(k) power to remove the Trustee and Collateral Agent from office and to appoint a new trustee and collateral agent provided that no such removal shall be effective unless and until a new Trustee and Collateral Agent or Trustees and Collateral Agents shall have become bound by this Indenture;

(l) power to sanction the exchange of the Debentures for or the conversion thereof into shares, bonds, debentures or other securities or obligations of the Corporation or of any other Person formed or to be formed;

(m) power to authorize the distribution in specie of any shares or securities received pursuant to a transaction authorized under the provisions of subsection 11.11(1); and

(n) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Debentureholders or by any committee appointed pursuant to clause 11.11(1)(j).

Section 11.12 Meaning of "Extraordinary Resolution"

(1) The expression "**Extraordinary Resolution**" when used in this Indenture means, subject as hereinafter in this Article 11 provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Debentureholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article at which the holders of not less than 25% of the principal amount of the Debentures then outstanding, and if the meeting is a Serial Meeting, at which holders of not less than 25% of the principal amount of the Debentures then outstanding of each especially affected series, are present in person or by proxy and passed by the favourable votes of the holders of not less than 66⅔% of the principal amount of the Debentures present or represented by proxy at the meeting and voted upon on a poll on such resolution, and if the meeting is a Serial Meeting by the affirmative vote of the holders of

not less than 66⅔% of each especially affected series present or represented by proxy at the meeting and voted upon on a poll on such resolution.

(2) If, at any such meeting, the holders of not less than 25% of the principal amount of the Debentures then outstanding and, if the meeting is a Serial Meeting, 25% of the principal amount of the Debentures then outstanding of each especially affected series, in each case are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Debentureholders, shall be dissolved but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days' notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 12.2. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed thereat by the affirmative vote of holders of not less than 66⅔% of the principal amount of the Debentures present or represented by proxy at the meeting and voted upon on a poll, and, if the meeting is a Serial Meeting, by the affirmative vote of the holders of not less than 66⅔% of the principal amount of the Debentures of each especially affected series present or represented by proxy at the meeting and voted upon on a poll, shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Debentures then outstanding, and if the meeting is a Serial Meeting, holders of not less than 25% of the principal amount of the Debentures then outstanding of each especially affected series, are not present in person or by proxy at such adjourned meeting.

(3) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

Section 11.13 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Debentureholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Debentureholders to exercise the same or any other such power or powers thereafter from time to time.

Section 11.14 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee and Collateral Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Debentureholders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in

respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

Section 11.15 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Debentureholders at a meeting held as hereinbefore in this Article 11 provided may also be taken and exercised by the holders of 66⅔% of the principal amount of all the outstanding Debentures and, if the meeting at which such actions might be taken would be a Serial Meeting, by the holders of 66⅔% of the principal amount of the Debentures then outstanding of each especially affected series, by an instrument in writing signed in one or more counterparts and the expression "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

Section 11.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 11 at a meeting of Debentureholders shall be binding upon all the Debentureholders, whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 11.15 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Trustee and Collateral Agent (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

Section 11.17 Evidence of Rights Of Debentureholders

(1) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debentureholders may be in any number of concurrent instruments of similar tenor signed or executed by such Debentureholders.

(2) The Trustee and Collateral Agent may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

Section 11.18 Concerning Serial Meetings

If in the opinion of Counsel any business to be transacted at any meeting, or any action to be taken or power to be exercised by instrument in writing under Section 11.15, does not adversely affect the rights of the holders of Debentures of one or more series, the provisions of this Article 11 shall apply as if the Debentures of such series were not outstanding and no notice of any such meeting need be given to the holders of Debentures of such series. Without limiting the generality of the foregoing, a proposal to modify or terminate any covenant or agreement which is effective only so long as Debentures of a particular series are outstanding shall be deemed not to adversely affect the rights of the holders of Debentures of any other series.

ARTICLE 12 – NOTICES

Section 12.1 Notice to Corporation

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective if delivered to the Corporation at: Suite 810, 789 West Pender Street, Vancouver, B.C., V6C 1H2, Attention: Brandon Kou, Chief Executive Officer, with a copy to legal counsel at Suite 1500, 1055 West Georgia Street, Vancouver, BC V6E 4N7, Attention: Desmond Balakrishnan, or if given by registered letter, postage prepaid, to such offices and so addressed and if mailed, shall be deemed to have been effectively given three days following the mailing thereof. The Corporation may from time to time notify the Trustee and Collateral Agent in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Indenture.

Section 12.2 Notice to Debentureholders

(1) All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to such holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been effectively given three days following the day of mailing; provided that for any Debentures held through a Depository, if any notice or other communication is required to be given to Debentureholders, the Trustee and Collateral Agent or the Corporation may give such notices and communications to such Depository by e-mail (at such email as is given by the Depository for such purpose from time to time) or in such other manner as is acceptable to the Depository and notice will be deemed to have been effective/given on the date of delivery. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder or the inability of the Corporation to give or mail any notice due to anything beyond the reasonable control of the Corporation shall not invalidate any action or proceeding founded thereon.

(2) If any notice given in accordance with the foregoing paragraph would be unlikely to reach the Debentureholders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Corporation shall give such notice by publication at least once in the city of Vancouver (or in such of those cities as, in the opinion of the Trustee and Collateral Agent, is sufficient in the particular circumstances), each such publication to be made in a daily newspaper of general circulation in the designated city.

(3) Any notice given to Debentureholders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.

(4) All notices with respect to any Debenture may be given to whichever one of the holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any

notice so given shall be sufficient notice to all holders of any persons interested in such Debenture.

Section 12.3 Notice to Trustee and Collateral Agent

Any notice to the Trustee and Collateral Agent under the provisions of this Indenture shall be valid and effective if delivered, receipt confirmed, to the Trustee and Collateral Agent at its principal office in the City of Calgary, at 1230-300 5th Avenue S.W., Attn: Corporate Trust, or by Email: corptrust@odysseytrust.com, and shall be deemed to have been effectively given as of the date of such receipt confirmation or if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given three days following the mailing thereof.

Section 12.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee and Collateral Agent would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 12.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 12.3.

ARTICLE 13 – CONCERNING THE TRUSTEE AND COLLATERAL AGENT

Section 13.1 Replacement of Trustee and Collateral Agent

(1) The Trustee and Collateral Agent may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation 90 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. If at any time a material conflict of interest exists in the Trustee and Collateral Agent's role as a fiduciary hereunder the Trustee and Collateral Agent shall, within 30 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section 13.1. The validity and enforceability of this Indenture and of the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee and Collateral Agent resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Trustee and Collateral Agent unless a new Trustee and Collateral Agent has already been appointed by the Debentureholders. Failing such appointment by the Corporation, the retiring Trustee and Collateral Agent or any Debentureholder may apply to a Judge of the Supreme Court of British Columbia, on such notice as such Judge may direct at the Corporation's expense, for the appointment of a new Trustee and Collateral Agent but any new Trustee and Collateral Agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Debentureholders and the appointment of such new Trustee and Collateral Agent shall be effective only upon such new Trustee and Collateral Agent becoming bound by this Indenture. Any new Trustee and Collateral

Agent appointed under any provision of this Section 13.1 shall be a corporation authorized to carry on the business of a trust company in one or more of the Provinces of Canada. On any new appointment the new Trustee and Collateral Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee and Collateral Agent.

(2) Any company into which the Trustee and Collateral Agent may be merged or, with or to which it may be consolidated, amalgamated or sold, or any company resulting from any merger, consolidation, sale or amalgamation to which the Trustee and Collateral Agent shall be a party, or any company which shall purchase all or substantially all of the corporate trust book of business of the Trustee and Collateral Agent, shall be the successor trustee and collateral agent under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee and Collateral Agent or of the Corporation, the Trustee and Collateral Agent ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee and Collateral Agent, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee and Collateral Agent so ceasing to act, and, upon receipt by the Trustee and Collateral Agent of payment in full for any outstanding charges due to it, shall duly assign, transfer and deliver all property and money held by such Trustee and Collateral Agent to the successor Trustee and Collateral Agent so appointed in its place. Should any deed, conveyance or instrument in writing from the Corporation be required by any new Trustee and Collateral Agent for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee and Collateral Agent, be made, executed, acknowledged and delivered by the Corporation.

Section 13.2 Duties of Trustee and Collateral Agent

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee and Collateral Agent shall act honestly and in good faith with a view to the best interests of the Debentureholders, and shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

Section 13.3 Reliance Upon Declarations, Opinions, etc.

In the exercise of its rights, duties and obligations hereunder the Trustee and Collateral Agent may, if acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee and Collateral Agent to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee and Collateral Agent examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 13.4, if applicable, and with any other applicable requirements of this Indenture. The Trustee and Collateral Agent may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee and Collateral Agent may rely on an opinion of Counsel

satisfactory to the Trustee and Collateral Agent notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Corporation.

Section 13.4 Evidence and Authority to Trustee and Collateral Agent, Opinions, etc.

(1) The Corporation shall furnish to the Trustee and Collateral Agent evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Corporation or the Trustee and Collateral Agent under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the certification and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee and Collateral Agent at the request of or on the application of the Corporation, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee and Collateral Agent in accordance with the terms of this Section 13.4, or (b) the Trustee and Collateral Agent, in the exercise of its rights and duties under this Indenture, gives the Corporation written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

(2) Such evidence shall consist of

(a) a certificate made by any two officers or directors of the Corporation, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;

(b) in the case of a condition precedent compliance with which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and

(c) in the case of any such condition precedent compliance with which is subject to review or examination by auditors or accountants, an opinion or report of the Auditors of the Corporation whom the Trustee and Collateral Agent for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.

(3) Whenever such evidence relates to a matter other than the certificates and delivery of Debentures and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other Person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a trustee, officer or employee of the Corporation it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately preceding paragraph of this Section.

(4) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in the Indenture shall include (a) a statement by the Person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (b) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (c) a statement that, in the belief of the Person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, and (d) a statement whether in the opinion of such Person the conditions precedent in question have been complied with or satisfied.

(5) The Corporation shall furnish or cause to be furnished to the Trustee and Collateral Agent at any time if the Trustee and Collateral Agent reasonably so requires, its certificate that the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Corporation shall, whenever the Trustee and Collateral Agent so requires, furnish the Trustee and Collateral Agent with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee and Collateral Agent as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

Section 13.5 Officer's Certificates Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee and Collateral Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee and Collateral Agent, if acting in good faith, may rely upon an Officer's Certificate.

Section 13.6 Experts, Advisers and Agents

The Trustee and Collateral Agent may:

(a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee and Collateral Agent or by the Corporation, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and shall not be responsible for any misconduct on the part of any of them and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid. The reasonable costs of such services shall be added to and become part of the Trustee and Collateral Agent's remuneration hereunder; and

(b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee and Collateral Agent may, but need not be, solicitors for the Corporation.

Section 13.7 Trustee and Collateral Agent May Deal in Debentures

Subject to Section 13.2, the Trustee and Collateral Agent may, in its personal or other capacity, buy, sell, lend upon and deal in the Debentures and generally contract and enter into financial transactions with the Corporation or otherwise, without being liable to account for any profits made thereby.

Section 13.8 Investment of Monies Held by Trustee and Collateral Agent

(1) Unless otherwise provided in this Indenture, any monies held by the Trustee and Collateral Agent, which, under this Indenture, may or ought to be invested or which may be on deposit with the Trustee and Collateral Agent or which may be in the hands of the Trustee and Collateral Agent, may be invested and reinvested in the name or under the control of the Trustee and Collateral Agent in securities in which, under the laws of the Province of British Columbia, trustees are authorized to invest trust monies, provided that such securities are expressed to mature within two years or such shorter period selected to facilitate any payments expected to be made under this Indenture, after their purchase by the Trustee and Collateral Agent, and unless and until the Trustee and Collateral Agent shall have declared the principal of and interest on the Debentures to be due and payable, the Trustee and Collateral Agent shall so invest such monies at the Written Direction of the Corporation given in a reasonably timely manner. Pending the investment of any monies as hereinbefore provided, such monies may be deposited in the name of the Trustee and Collateral Agent in any chartered bank of Canada or, with the consent of the Corporation, in the deposit department of the Trustee and Collateral Agent or any other loan or trust company authorized to accept deposits under the laws of Canada or any Province thereof at the rate of interest, if any, then current on similar deposits.

(2) Unless and until the Trustee and Collateral Agent shall have declared the principal of and interest on the Debentures to be due and payable, the Trustee and Collateral Agent shall pay over to the Corporation all interest received by the Trustee and Collateral Agent in respect of any investments or deposits made pursuant to the provisions of this Section.

Section 13.9 Trustee and Collateral Agent Not Ordinarily Bound

Except as provided in Section 8.2 and as otherwise specifically provided herein, the Trustee and Collateral Agent shall not, subject to Section 13.2, be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or

performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained, nor in any way to supervise or interfere with the conduct of the Corporation's business, unless the Trustee and Collateral Agent shall have been required to do so in writing by the holders of not less than 25% of the aggregate principal amount of the Debentures then outstanding or by any Extraordinary Resolution of the Debentureholders passed in accordance with the provisions contained in Article 11, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

Section 13.10 Trustee and Collateral Agent Not Required to Give Security

The Trustee and Collateral Agent shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

Section 13.11 Trustee and Collateral Agent Not Bound to Act on Corporation's Request

Except as otherwise specifically provided in this Indenture, the Trustee and Collateral Agent shall not be bound to act in accordance with any direction or request of the Corporation until a duly Authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee and Collateral Agent, and the Trustee and Collateral Agent shall be empowered to act upon any such copy purporting to be Authenticated and believed by the Trustee and Collateral Agent to be genuine.

Section 13.12 Conditions Precedent to Trustee and Collateral Agent's Obligations to Act Hereunder

(1) The obligation of the Trustee and Collateral Agent to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and Collateral Agent and of the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing when required by notice in writing by the Trustee and Collateral Agent, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee and Collateral Agent to protect and hold harmless the Trustee and Collateral Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

(2) None of the provisions contained in this Indenture shall require the Trustee and Collateral Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(3) Nothing herein contained shall impose any obligation on the Trustee and Collateral Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;

(4) The Trustee and Collateral Agent may, before commencing or at any time during the continuance of any such act, action or proceeding require the Debentureholders at whose instance it is acting to deposit with the Trustee and Collateral Agent the Debentures held by them for which Debentures the Trustee and Collateral Agent shall issue receipts.

Section 13.13 Authority to Carry on Business

The Trustee and Collateral Agent represents to the Corporation that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in the provinces of British Columbia and Alberta but if, notwithstanding the provisions of this Section 13.13, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee and Collateral Agent shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in either of the provinces of British Columbia and Alberta, either become so authorized or resign in the manner and with the effect specified in Section 13.1.

Section 13.14 Compensation and Indemnity

(1) The Corporation shall pay to the Trustee and Collateral Agent from time to time compensation for its services hereunder as agreed separately by the Corporation and the Trustee and Collateral Agent, and shall pay or reimburse the Trustee and Collateral Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee and Collateral Agent in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee and Collateral Agent under this Indenture shall be finally and fully performed. Any fees and expenses of the Trustee and Collateral Agent in connection herewith shall be paid by the Corporation within 30 days of issuance of an invoice therefor and, if not so paid, shall bear interest at a rate per annum to the then-current rate of interest charged by the Trustee and Collateral Agent to its corporate clients. The Trustee and Collateral Agent's compensation shall not be limited by any law on compensation of a trustee of an express trust.

(2) The Corporation hereby indemnifies and holds the Trustee and Collateral Agent and its affiliates, their successors and assigns, as well as its and their respective directors, officers, employees and agents, harmless from and against any and all claims, demands, assessments, interest, penalties, actions, suits, proceedings, liabilities, losses, damages, costs and expenses, including, without limiting the foregoing, expert, consultant and counsel fees and disbursements on a solicitor and client basis, arising from or in connection with any actions or omissions that the Trustee and Collateral Agent or they take pursuant to this Indenture, provided that any such action or omission is without gross negligence, bad faith, wilful misconduct or fraud or is taken on advice and instructions given to the Trustee and Collateral Agent or them by the Corporation, or the Corporation's representatives, including the Corporation's legal counsel, or counsel

consulted by the Trustee and Collateral Agent or them. This indemnity shall survive the resignation or removal of the Trustee and Collateral Agent and the termination or discharge of this Indenture.

(3) Notwithstanding any other provision of this Indenture, the Trustee and Collateral Agent shall not be liable for any (i) breach by any other party of the Applicable Securities Legislation, (ii) lost profits or (iii) punitive, consequential or special damages of any Person.

Section 13.15 Acceptance of Trust

The Trustee and Collateral Agent hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Debentureholders, subject to all the terms and conditions herein set forth.

Section 13.16 Third Party Interests

Each party to this Indenture (in this paragraph referred to as a "representing party") hereby represents to the Trustee and Collateral Agent that any account to be opened by, or interest to be held by, the Trustee and Collateral Agent in connection with this Indenture, for or to the credit of such representing party, is not intended to be used by or on behalf of any third party.

Section 13.17 Anti-Money Laundering

The Trustee and Collateral Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee and Collateral Agent, in its sole judgment, acting reasonably, determines that such act might cause it to be in noncompliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Trustee and Collateral Agent, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice sent to the Corporation provided that (i) the Trustee and Collateral Agent's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Trustee and Collateral Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

Section 13.18 Privacy Laws

The Corporation acknowledges that the Trustee and Collateral Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Indenture and other services that may be requested from time to time;

(b) to help the Trustee and Collateral Agent manage its servicing relationships with such individuals;

(c) to meet the Trustee and Collateral Agent's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Trustee and Collateral Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Trustee and Collateral Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Trustee and Collateral Agent shall make available on its website, www.odysseytrust.com, or upon request, including revisions thereto. The Trustee and Collateral Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Trustee and Collateral Agent any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

Section 13.19 Force Majeure

Neither party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

ARTICLE 14 – SUPPLEMENTAL INDENTURES

Section 14.1 Supplemental Indentures

From time to time the Trustee and Collateral Agent and, when authorized by a resolution of the Board of Directors, the Corporation, may, subject to the provisions hereof and subject to the prior approval of the Recognized Stock Exchange, as applicable, and they shall when required by this Indenture, execute, acknowledge and deliver by their proper officers deeds or indentures supplemental hereto which thereafter shall form part hereof, for any one or more of the following purposes:

(a) providing for the issuance of Additional Debentures under this Indenture;

(b) adding to the covenants of the Corporation herein contained for the protection of the Debentureholders, or of the Debentures of any series, or providing for events of default, in addition to those herein specified;

(c) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures which do not affect the substance thereof and which in the opinion of the Trustee and Collateral Agent relying on the advice of Counsel will not be prejudicial to the interests of the Debentureholders;

(d) evidencing the succession, or successive successions, of others to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;

(e) giving effect to any Extraordinary Resolution passed as provided in Article 11; and

(f) for any other purpose not inconsistent with the terms of this Indenture.

Unless the supplemental indenture requires the consent or concurrence of Debentureholders or the holders of a particular series of Debentures, as the case may be, by Extraordinary Resolution, the consent or concurrence of Debentureholders or the holders of a particular series of Debentures, as the case may be, shall not be required in connection with the execution, acknowledgement or delivery of a supplemental indenture. The Corporation and the Trustee and Collateral Agent may amend any of the provisions of this Indenture related to matters of United States law or the issuance of Debentures into the United States in order to ensure that such issuances can be made in accordance with applicable law in the United States without the consent or approval of the Debentureholders. Further, the Corporation and the Trustee and Collateral Agent may without the consent or concurrence of the Debentureholders or the holders of a particular series of Debentures, as the case may be, by supplemental indenture or otherwise, make any changes or corrections in this Indenture which it shall have been advised by Counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained herein or in any indenture supplemental hereto or any Written Direction of the Corporation provided for the issue of Debentures, providing that in the opinion of the Trustee and Collateral Agent (relying upon an opinion of Counsel) the rights of the Debentureholders are in no way prejudiced thereby.

ARTICLE 15 – EXECUTION AND FORMAL DATE

Section 15.1 Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

Section 15.2 Formal Date

For the purpose of convenience this Indenture may be referred to as bearing the formal date of [●] irrespective of the actual date of execution hereof.

The parties have executed this Agreement.

ICANIC BRANDS COMPANY INC.

By: _____

Name:
Title:

ODYSSEY TRUST COMPANY

By: _____

Name:
Title:

By: _____

Name:
Title:

Schedule A – Form of Debenture

[INITIAL DEBENTURES LEGEND]

(INSERT IF BEING ISSUED TO CDS) THIS DEBENTURE IS A GLOBAL DEBENTURE WITHIN THE MEANING OF THE INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS DEBENTURE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR DEBENTURES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE TRUST INDENTURE DATED AS OF THE [●] DAY OF [●], 2022 BETWEEN ICANIC BRANDS COMPANY INC. AND ODYSSEY TRUST COMPANY (THE "**INDENTURE**"). EVERY DEBENTURE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS DEBENTURE SHALL BE A GLOBAL DEBENTURE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO ICANIC BRANDS COMPANY INC INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.s

[U.S. LEGEND – TO BE INCLUDED ON ALL DEBENTURES, OTHER THAN INITIAL DEBENTURES, ISSUED TO U.S. PURCHASERS EXCEPT QUALIFIED INSTITUTIONAL BUYERS WHO HAVE EXECUTED AND DELIVERED A QUALIFIED INSTITUTIONAL BUYER LETTER.]

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION 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 THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ICANIC BRANDS COMPANY INC. (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 COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (C) OR (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION AND THE TRUSTEE AND COLLATERAL AGENT TO SUCH EFFECT.

CUSIP ●

ISIN ●

No. ● $●

ICANIC BRANDS COMPANY INC.

(A corporation incorporated under the laws of province of British Columbia)

11.0% SECURED CONVERTIBLE SENIOR DEBENTURE

DUE [●], 2024

ICANIC BRANDS COMPANY INC. (the "**Corporation**") for value received hereby acknowledges itself indebted and, subject to the provisions of the Debenture Indenture (the "**Indenture**") dated as of [●], 2022 between the Corporation and Odyssey Trust Company (the "**Trustee and Collateral Agent**"), promises to pay to the registered holder hereof on [●], 2024 or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture (any such date, the "**Maturity Date**") the principal amount hereof in lawful money of the United States of America on presentation and surrender of this Initial Debenture at the main branch of the Trustee and Collateral Agent in Calgary, Alberta in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from, and including, the date hereof at the rate of 11.0% per annum (based on a year of 360 days composed of twelve 30-day months), payable at the Maturity Date.

This Initial Debenture is one of the 11.0% Secured Convertible Debentures (referred to herein as the "**Initial Debentures**") of the Corporation issued or issuable in one or more series under the provisions of the Indenture. The Initial Debentures authorized for issue immediately are limited to an aggregate principal amount of up to $16,500,000 in lawful money of the United States of America. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Initial Debentures are or are to be issued and held and the rights and remedies of the holders of the Initial Debentures and of the Corporation and of the Trustee and Collateral Agent, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Initial Debenture by acceptance hereof assents.

The Initial Debentures are issuable only in denominations of $1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

On or after [●], 2022, any part, being $1,000 or an integral multiple thereof, of the principal of this Initial Debenture, provided that the principal amount of this Initial Debenture is in a denomination in excess of $1,000, is convertible, at the option of the holder hereof, upon surrender of this Initial Debenture at the principal office of the Trustee and Collateral Agent in Calgary, Alberta, at any time prior to 5:00 p.m. (Vancouver time) on the earliest of (i) the third Business Day immediately preceding the Maturity Date of the Initial Debentures; or (ii) if subject to redemption pursuant to a Change of Control (as defined in the Indenture), on the Business Day immediately preceding the payment date, into Units, comprised of one common share of the Corporation (a "**Common Share**") and one Common Share purchase warrant, exercisable at a price of C$0.15 per warrant for 24 months from the date of conversion (a "**Warrant**") (without adjustment for interest accrued hereon or for dividends or distributions on Common Shares issuable upon conversion) at a conversion price of C$0.10 (the "**Conversion Price**") per Unit, all subject to the terms and conditions and in the manner set forth in the Indenture. At the time of conversion, the principal amount of Debenture subject to conversion will, for the purpose of determining the number of Units issuable upon conversion be converted from USD into CAD based on the Bank of Canada noon day rate the day prior to conversion and the CAD principal amount of Debenture shall be divided by the Conversion Price. No fractional Common Shares or Warrants will be issued on any conversion but in lieu thereof, holders will receive a cash payment in satisfaction of any fractional interest based on the Current Market Price as of the Date of Conversion, provided, however, the Corporation shall not be required to make any payment of less than $5.00. Holders converting their Debentures will receive accrued and unpaid interest thereon in cash.

Not less than 30 days prior to the consummation of a Change of Control, the Corporation shall deliver to the Trustee and Collateral Agent, and the Trustee and Collateral Agent shall promptly deliver to the holders of the Initial Debentures, a notice stating that there has been a Change of Control and specifying the date on which such Change of Control occurred and the circumstances or events giving rise to such Change of Control (a **"Change of Control Notice**"). Prior to the Change of Control Purchase Date (as defined below), the Debentureholders shall, in their sole discretion, have the right to require the Corporation to purchase the Debentures in whole or in part (the "**Change of Control Offer**") at 100% of the principal amount thereof plus accrued and unpaid interest if the Change of Control. If 90% or more of the principal amount of all Debentures outstanding on the date the Corporation provides notice of a Change of Control to the Trustee and Collateral Agent have been tendered for purchase pursuant to the Change of Control Offer, the Corporation has the right to redeem all the remaining outstanding Initial Debentures on the same date and at the same price.

The indebtedness evidenced by this Initial Debenture, and by all other Initial Debentures now or hereafter certified and delivered under the Indenture, is a direct secured obligation of the Corporation.

This Initial Debenture and the Common Shares and Warrants issuable upon conversion hereof have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. This Initial Debenture may not be converted by 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. In addition, the underlying Common Shares and Warrants may only be offered and sold to a U.S. person or a person in the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. "**U.S. person**" and "**United States**" are as defined in Regulation S under the U.S. Securities Act.

The Indenture contains provisions binding upon all holders of Debentures outstanding thereunder (or in certain circumstances specific series of Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding (or specific series), which resolutions or instruments may have the effect of amending the terms of this Initial Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Common Shares, Warrants, and officers, directors and employees of the Corporation in respect of any obligation or claim arising out of the Indenture or this Initial Debenture.

This Initial Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee and Collateral Agent in the City of Calgary and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Trustee and Collateral Agent may designate. No transfer of this Initial Debenture shall be valid unless made on the register by the registered holder hereof or its executors or administrators or other legal representatives, or its or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee and Collateral Agent or other registrar, and upon compliance with such reasonable requirements as the Trustee and Collateral Agent and/or other registrar may prescribe and upon surrender of this Initial Debenture for cancellation. Thereupon a new Initial Debenture or Initial Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Initial Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee and Collateral Agent under the Indenture.

Capitalized words or expressions used in this Initial Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture. In the event of any inconsistency between the terms of this Initial Debenture and the Indenture, the terms of the Indenture shall govern.

[*REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK*]

IN WITNESS WHEREOF ICANIC BRANDS COMPANY INC. has caused this Debenture to be signed by its authorized representatives as of [●] ____, 2022.

ICANIC BRANDS COMPANY INC.

By: _____

TRUSTEE AND COLLATERAL AGENT'S CERTIFICATE

This Initial Debenture is one of the 11.0% Secured Convertible Debentures due ●, 2024 referred to in the Indenture within mentioned.

Dated:

ODYSSEY TRUST COMPANY

By: _____

Name:
Title:

REGISTRATION PANEL

(No writing hereon except by Trustee and Collateral Agent or other registrar)

Date of Registration	In Whose Name Registered	Signature of Trustee and Collateral Agent or Registrar

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Initial Debenture (or $_____principal amount hereof*) of **Icanic Brands Company Inc.** standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Initial Debenture and does hereby irrevocably authorize and direct the Trustee and Collateral Agent to transfer such Initial Debenture in such register, with full power of substitution in the premises.

Dated:_____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

*If less than the full principal amount of the within Initial Debenture is to be transferred, indicate in the space provided the principal amount (which must be $1,000 or an integral multiple thereof, unless you hold an Initial Debenture in a non-integral multiple of $1,000 by reason of your having exercised your right to exchange upon the making of a Change of Control Offer, in which case such Initial Debenture is transferable only in its entirety) to be transferred.

☐ **Check if the undersigned Transferor is a U.S. Purchaser that acquired Initial Debentures under the Issuance as "restricted securities" and which: (a) are represented by one or more Debenture Certificate endorsed with a U.S. Legend pursuant to Section 2.15(1) of the Indenture; or (b) have been included in the Unrestricted Debenture pursuant to Section 2.15(3) of the Indenture, against execution and delivery by the Transferor of a Qualified Institutional Buyer Letter substantially as set forth in Schedule Error! Reference source not found. to the Indenture. IF THIS BOX IS CHECKED, THE TRANSFEROR MUST COMPLETE AND DELIVER A CERTIFICATE OF TRANSFER SUBSTANTIALLY AS SET FORTH IN SCHEDULE E TO THE INDENTURE.**

REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).

☐ Gift ☐ Estate ☐ Private Sale ☐ Other (or no change in ownership)

Date of Event (Date of gift, death or sale): **Value per Debenture** on the date of event:

__/__/____ $ ____.__ ☐ CAD **OR** ☐ USD

1. The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a "SIGNATURE & AUTHORITY TO SIGN GUARANTEE" Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a "MEDALLION GUARANTEED" Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

2. The registered holder of this Initial Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

Signature of Guarantor:

Authorized Officer	Signature of transferring registered holder
Name of Institution	

Schedule B – Form of Redemption Notice

ICANIC BRANDS COMPANY INC.

11.00 % SENIOR SECURED DEBENTURES

REDEMPTION NOTICE

To: Holders of 11.00% Senior Secured Debentures (the "**Debentures**") of Icanic Brands Company Inc. (the "**Corporation**")

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 4.3 of the debenture indenture (the "**Indenture**") dated as of [●] 2022 between the Corporation and Odyssey Trust Company (the "**Trustee and Collateral Agent**"), that the aggregate principal amount of $● of the $● of Debentures outstanding will be redeemed as of ● (the "**Redemption Date**"), upon payment of a redemption amount of $● for each $1,000 principal amount of Debentures, being equal to the aggregate of (i) $1,000; (ii) all accrued and unpaid interest hereon to but excluding the Redemption Date; and (iii) an amount equal to the interest that would have been payable hereon, if the Initial Debentures had not been redeemed, for the period from and including the Redemption Date to the Maturity Date (collectively, the "**Redemption Price**").

The Redemption Price will be payable upon presentation and surrender of the Debentures called for redemption at the following corporate trust office:

Odyssey Trust Company
Stock Exchange Tower
1230-300 5th Avenue SW
Calgary, AB T2P 3C3

The interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date, unless payment of the Redemption Price shall not be made on presentation for surrender of such Debentures at the above-mentioned corporate trust office on or after the Redemption Date or prior to the setting aside of the Redemption Price pursuant to the Indenture.

DATED:

ICANIC BRANDS COMPANY INC.

Per: _____

Schedule C – Form of Notice of Conversion

CONVERSION NOTICE

To: **ICANIC BRANDS COMPANY INC.**

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

The undersigned registered holder of 11.0% Secured Convertible Debentures irrevocably elects to convert such Debentures (or $● principal amount thereof) in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures and directs that the Units of Icanic Brands Company Inc. issuable upon a conversion be issued and delivered to the person indicated below. (If Units are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned and a Residency Declaration Form must be completed and delivered in respect of such other person).

If the Debentures are being converted by, or for the account or benefit of a U.S. person or a person in the United States, the undersigned represents, warrants and certifies as follows (one only) of the following must be checked:

☐ A. The undersigned has not been solicited to convert the Debentures by any person, or if the undersigned has been solicited to convert the Debentures, the undersigned has confirmed that no commission or remuneration has been or will be paid or given, directly or indirectly, for soliciting such conversion, and the undersigned acknowledges that the Corporation is relying on the registration exemption provided by section 3(a)(9) of the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), to issue the Common Shares; OR

☐ B. The undersigned has delivered to the Corporation and the Trustee and Collateral Agent an opinion of counsel reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. (Note: If this box is to be checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with conversion will be satisfactory in form and substance to the Corporation.)

☐ **If the undersigned has checked Box A or B, and the undersigned has determined with the benefit of legal advice that the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the undersigned in order to maintain compliance with the U.S. Securities Act, the undersigned has caused to be delivered to the Corporation and the Trustee and Collateral Agent, at the request of the Corporation or the Trustee and Collateral Agent, an opinion of counsel of recognised standing, in form and substance reasonably satisfactory to the Corporation, to the foregoing effect.**

Dated: _____ _____

(Signature of Registered Holder)

* If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be $1,000 or integral multiples thereof).

NOTE: If Units are to be issued in the name of a person other than the holder, the signature must be guaranteed by a chartered bank, a trust company or by a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

(Print name in which Units are to be issued, delivered and registered)

Name: _____

Address

_____

(City, Province and Postal Code)

Name of guarantor: _____

Authorized signature: _____

Schedule D – [Intentionally Deleted]

Schedule E – Form of Certificate of Transfer

Icanic Brands Company Inc.
1500-1055 West Georgia Street
Vancouver, BC
V6E 4N7
Attention: [●]

Odyssey Trust Company
Stock Exchange Tower
1230-300 5th Avenue SW
Calgary, AB T2P 3C3
Attention: Corporate Trust

Re: Transfer of Debentures

Reference is hereby made to the Indenture, dated as of [●], 2022 (the "**Indenture**"), between Icanic Brands Company Inc., as issuer (the "**Corporation**"), and Odyssey Trust Company, as Trustee and Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the "**Transferor**") owns and proposes to transfer the Debentures or interests in such Debentures specified in Annex A hereto, in the principal amount of $_____ (the "**Transfer**"), to_____ (the "**Transferee**"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of an interest in a Restricted Debenture pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A ("**Rule 144A**") under the Securities Act of 1933, as amended (the "**Securities Act**"), and, accordingly, the Transferor hereby further certifies that the interest or physical Debenture is being transferred to a Person that the Transferor reasonably believes is purchasing the interest or physical Debenture for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or physical Debenture will be subject to the restrictions on transfer enumerated in the U.S. Legend.

2. ☐ **Check if Transferee will take delivery of an interest in an Unrestricted Debenture pursuant to Regulation S.** The Transfer is being effected pursuant to and in accordance with Rule 904 of Regulation S under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transferor is not an "affiliate" of the

Corporation as that term is defined in Rule 405 under the Securities Act, (ii) the offer was not made, and the Transfer is not being made, to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (iii) neither the Transferor nor any affiliate of the Transferor nor any Person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the Transfer, (iv) the Transfer is *bona fide* and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the Securities Act), (v) the Transferor does not intend to replace such securities with fungible unrestricted securities and (vi) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. Terms used in this section have the meaning given to them by Regulation S under the Securities Act.

3. ☐ **Check and complete if Transferee will take delivery of an interest in an Unrestricted Debenture pursuant to any provision of the Securities Act other than Regulation S.**

(a) ☐ **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act ("**Rule 144**") and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States, and (ii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Transferor in order to maintain compliance with the Securities Act.

(b) ☐ **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144A, Regulation S and Rule 144, and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States, and (ii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Transferor in order to maintain compliance with the Securities Act.

In connection with requests for transfers pursuant to item 3(a) or item 3(b), the Transferor must deliver to the Corporation and the Trustee and Collateral Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Trustee and Collateral Agent and the Corporation, to the effect that the legend is no longer required under applicable requirements of the Securities Act or state securities laws.

This certificate and the statements contained herein are made for your benefit and the benefit of the Corporation.

_____

[Insert Name of Transferor]

By: _____

Name: ●

Title: ●

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b) OR (c) OR (d)]

(a) ☐ a Restricted Uncertificated Debenture CUSIP

(b) ☐ an Unrestricted Uncertificated Debenture CUSIP

(c) ☐ a Restricted Physical Debenture

(d) ☐ an Unrestricted Physical Debenture

after the Transfer the Transferee will hold:

[CHECK ONE OF (e) OR (f) OR (g) OR (h)]

(e) ☐ a Restricted Uncertificated Debenture CUSIP

(f) ☐ an Unrestricted Uncertificated Debenture CUSIP

(g) ☐ a Restricted Physical Debenture

(h) ☐ an Unrestricted Physical Debenture

in accordance with the terms of the Indenture.

Schedule F – Form of Certificate of Exchange

Icanic Brands Company Inc.
1500-1055 West Georgia Street
Vancouver, BC
V6E 4N7
Attention: [Brandon Kou]

Odyssey Trust Company
Stock Exchange Tower
1230-300 5th Avenue SW
Calgary, AB T2P 3C3
Attention: Corporate Trust

Reference is hereby made to the Indenture, dated as of [●], 2022 (the "**Indenture**"), between Icanic Brands Company Inc., as issuer (the "**Corporation**"), and Odyssey Trust Company, as Trustee and Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the "**Owner**") owns and proposes to exchange the Debentures or interests in such Debentures specified herein, in the principal amount of $ (the "**Exchange**"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Physical Debentures or Restricted Uncertificated Debenture for Unrestricted Physical Debentures or Unrestricted Uncertificated Debenture

(a) **Check if Exchange is a Restricted Uncertificated Debenture to an Unrestricted Uncertificated Debenture.** In connection with the Exchange of the Restricted Uncertificated Debenture for an Unrestricted Uncertificated Debenture in an equal principal amount, the Owner hereby certifies (i) the interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Uncertificated Debentures and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), (iii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Owner in order to maintain compliance with the U.S. Securities Act, and (iv) the interest in an Unrestricted Uncertificated Debenture is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) **Check if Exchange is from Restricted Physical Debenture to Unrestricted Physical Debenture**. In connection with the Owner's Exchange of a Restricted Physical Debenture for an Unrestricted Physical Debenture, the Owner hereby certifies (i) the Unrestricted Physical Debenture is being acquired for the Owner's own account without transfer, such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Physical Debentures and pursuant to and in accordance with the U.S. Securities Act, the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the Physical Debenture of the Owner in order to maintain compliance with the

U.S. Securities Act and (iv) the Unrestricted Physical Debenture is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

In connection with requests for Exchanges pursuant to item 1(a) or 1(b), the Owner must deliver to the Corporation and the Trustee and Collateral Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or U.S. state securities laws.

This certificate and the statements contained herein are made for your benefit and the benefit of the Corporation..

_____

[Insert Name of Transferor]

By: _____

Name: ●

Title: ●

Dated:_____

Schedule G – Form of Qualified Institutional Buyer Letter

Icanic Brands Company Inc.
1500-1055 West Georgia Street
Vancouver, BC
V6E 4N7
Attention: [●]

Attention: [●]

Ladies and Gentlemen:

In connection with its agreement to purchase debentures (the "**Debentures**") of Icanic Brands Company Inc. (the "**Corporation**"), the undersigned purchaser acknowledges, represents to, warrants, covenants and agrees with the Corporation, as follows:

1. It is authorized to consummate the purchase of the Debentures.

2. It is a Qualified Institutional Buyer that is also an "accredited investor" (as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")), purchasing the Debentures for its own account or for the account or benefit of one or more Qualified Institutional Buyers that are also accredited investors with respect to which it exercises sole investment discretion for investment purposes only and not with a view to any resale, distribution or other disposition of the Debentures or the common shares (the "**Common Shares**") or warrants (the "**Warrants**") of the Corporation issuable upon conversion of the Debentures in violation of United States federal or U.S. state securities laws.

3. It understands and acknowledges that none of the Debentures, the Common Shares or the Warrants, or the Common Shares issuable upon exercise of the Warrants (the "**Warrant Shares**" and together with the Debentures, Common Shares and Warrants, the "**Securities**")), have been nor will be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and will, therefore, be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act that will not be represented by certificates that bear a U.S. restrictive legend or identified by a restricted CUSIP number, and that the offer and sale of the Debentures to it will be made in reliance upon an exemption from registration provided by section 4(a)(2) of the U.S. Securities Act or Rule 506(b) of Regulation D thereunder.

4. It, alone or with the assistance of its professional advisors, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Debentures, the Common Shares or the Warrants and is able, without impairing its financial condition, to hold the Debentures, the Common Shares or Warrants for an indefinite period of time and to bear the economic risks, and withstand a complete loss, of such investment.

5. It acknowledges that it has not purchased the Debentures as a result of any "general solicitation" or "general advertising" (as those terms are used in Regulation D under the U.S. Securities Act), including, but not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

6. It acknowledges that:

a. the Warrants may not be exercised in the United States or by, or on behalf of, a U.S. person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States unless exemptions are available from the registration requirements of the U.S. Securities Act and the securities laws of all applicable states, and the holder has furnished an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect; provided that a holder of Warrants (a "**Warrantholder**") that was an original purchaser who executed and delivered this Letter in connection with its purchase of the Debentures will not be required to deliver an opinion of counsel in connection with its due exercise of the Warrants, for its own account or for the account of the original beneficial purchaser(s), if any, at a time when the Warrantholder and such original beneficial purchaser(s), if any, are Accredited Investors; and

b. Warrants to be exercised may be required to be withdrawn from the non-certificated inventory system of the Clearing and Depositary Services Inc. and an individually registered certificate representing such Warrants may be issued by the warrant agent, and in such case, the Warrantholder may be required to complete and deliver to the Issuer and the warrant agent a notice of exercise for the Warrants substantially in a form acceptable to the Corporation and the warrant agent and as reflected in the warrant indenture thereto.

7. In consideration for the receipt of unlegended "restricted securities", it represents, warrants and covenants to the Corporation as follows ("**Restricted Security Agreements**"):

a. if in the future it decides to offer, sell, pledge, or otherwise transfer, directly or indirectly, any of the Securities it will do so only: (x) to the Corporation (though the Corporation is under no obligation to purchase any such Securities) or (y) 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 or regulations;

b. the Securities cannot be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons;

c. it will cause any CDS participant holding the Securities on its behalf, and the beneficial purchaser of the Securities, if any, to comply with the Restricted Security Agreements; and

d. for so long as the Securities constitute "restricted securities", it will not deposit any of the Securities into the facilities of the Depository Trust Company, or a successor depository within the United States, or arrange for the registration of any the Securities with Cede & Co. or any successor thereto.

8. It acknowledges it has implemented, or shall immediately implement, adequate internal procedures to be able to ensure compliance with the transfer restrictions and, in particular, to ensure that the Debentures, the Common Shares and the Warrants shall be properly identified in its records as "restricted securities" that are subject to the Restricted Security Agreements notwithstanding the absence of a U.S. restrictive legend or restricted CUSIP number.

9. It is not an "affiliate" as defined in Rule 144(a)(1) under the U.S. Securities Act, and is not acting on behalf of an affiliate, of the Corporation;

10. It understands and acknowledges that it is expected that (i) the Securities will be registered in the name of CDS or its nominee under the book-based system administered by CDS and will not be identified by a restricted CUSIP, and (ii) no certificates evidencing such securities will be issued by the Corporation in reliance on its agreement with, and to, the Corporation to comply with the

Restricted Security Agreements and that it will receive only a customer confirmation in respect of its purchase.

11. It understands and acknowledges that the Corporation is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission (the "**SEC**") or with any U.S. state securities commission any registration statement in respect of resales of any of the Debentures, the Common Shares or the Warrants in the United States.

12. No agency, securities commission, governmental authority, regulatory body, stock exchange or other entity (including, without limitation, the SEC or any U.S. state securities commission) has reviewed, passed on, made any finding or determination as to the merit for investment of, and no such agencies, securities commissions, or governmental authorities have made any recommendation or endorsement with respect to, the Debentures, the Common Shares, and the Warrants and there is no government or other insurance covering the Debentures, the Common Shares, or the Warrants.

13. It is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Corporation is organized under the laws of the province of British Columbia; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a portion of the assets of the Corporation and such persons may be located outside the United States.

14. It understands and agrees that the financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies.

15. If required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file and otherwise assist the Corporation in filing reports, questionnaires, undertakings and other documents with respect to the issuance of the Debentures, the Common Shares or the Warrants.

16. It understands and acknowledges that it is making the representations, warranties and agreements contained herein with the intent that they may be relied upon by the Corporation in determining its eligibility to purchase the Debentures, the Common Shares or the Warrants.

17. (i) If it is acquiring any Debentures as a fiduciary or agent for one or more investor accounts, it represents that it has full power to make the representations, warranties and agreements contained herein on behalf of each such account and that the representations, warranties and agreements contained herein are true and correct and will be binding upon each such account; or (ii) the undersigned is an officer of the purchaser duly authorized to execute and deliver this letter on behalf of the purchaser.

18. It acknowledges and consents to the fact that the Corporation may be required by applicable securities laws to provide the securities regulators or other authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) with its personal information; and, notwithstanding that it may be purchasing securities as agent on behalf of an undisclosed principal, it agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Corporation in order to comply with the foregoing.

19. It represents and warrants that (i) the funds representing the purchase price which will be advanced by it will not represent proceeds of crime for the purposes of the *United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the

"**PATRIOT Act**"), and it acknowledges that the Corporation may in the future be required by law to disclose its name and other information, on a confidential basis, pursuant to the PATRIOT Act, and (b) no portion of the purchase price to be provided by it (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity that has not been identified to or by it; and it shall promptly notify the Corporation if it discovers that any of such representations ceases to be true and provide the Corporation with appropriate information in connection therewith.

20. It agrees that by accepting the Debentures it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the closing date of the offering of the Debentures and that they shall survive the purchase by it of the Debentures and shall continue in full force and effect notwithstanding any subsequent disposition by it of the Debentures. It irrevocably authorizes the Corporation to produce this Qualified Institutional Buyer Letter or a copy hereof to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters set forth herein.

The Corporation shall be entitled to rely on delivery of an electronic mail or facsimile copy of this Qualified Institutional Buyer Letter, and acceptance by the Corporation of an electronic mail or facsimile copy of this Qualified Institutional Buyer Letter shall create a legal, valid and binding agreement between the Corporation and the undersigned.

By: _____

Print Name of U.S. Purchaser

By: _____

Name:
Title:

Schedule H – Form of Warrant Indenture

APPENDIX "E" – PLAN OF ARRANGEMENT

(see attached)

SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF A PLAN OF ARRANGEMENT UNDER SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF ICANIC BRANDS COMPANY INC., and involving LEEF HOLDINGS, INC., PALEO PAY CORP. DBA LEEF ORGANICS, PAYNE'S DISTRIBUTION LLC, DBA LEEF DISTRIBUTION, SEVEN ZERO SEVEN LLC, DBA LEEF LABS, WILLITS RETAIL, LLC, EC RETAIL LLC, ANDERSON DEVELOPMENT SB, LLC., LEEF MANAGEMENT, LLC, PREFERRED BRAND LLC, DE KROWN ENTERPRISES LLC, 1200665 B.C. LTD., 1127466 B.C. LTD., THC ENGINEERING HOLDINGS LLC, X-SPRAY INDUSTRIES INC., THC ENGINEERING LLC, and AYA BIOSCIENCES, INC.

ICANIC BRANDS COMPANY INC.
(the "Petitioner")

PLAN OF ARRANGEMENT

July 6, 2022

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PLAN OF ARRANGEMENT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated:

"**2019 Debentures**" means the 9% secured debentures issued under the Indenture, in the original principal amount of US$14,252,562, and due on June 6, 2022;

"**2019 Debenture Documents**" means, collectively, (i) the Indenture; and (ii) all related documentation, including, without limitation, all certificates and other instruments, related to the foregoing;

"**Arrangement**" means an arrangement under Section 288 of the BCBCA on the terms and subject to the conditions set out in this Plan, subject to any amendments or variations thereto made in accordance with Section 7.5 of this Plan or made at the direction of the Court in the Interim Order or the Final Order and with the consent of the Petitioner and the Requisite Consenting Parties, each acting reasonably;

"**BCBCA**" means the *Business Corporations Act*, SBC 2002, c 57, as amended;

"**BCBCA Proceedings**" means the proceedings commenced by the Petitioner under the BCBCA in connection with this Plan;

"**Business Day**" means any day, other than a Saturday, Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario, Vancouver, British Columbia or New York, New York;

"**Cash Distribution Pool**" means an amount equal to US$3,563,140.50, plus interest on that amount calculated at the rate provided for in the 2019 Debentures for the period between June 6, 2022 and the Effective Date;

"**Circular**" means the notice for the Secured Debenture Holders' Meeting, and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent by the Petitioner to Secured Debenture Holders in connection with the Meeting;

"**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against the Icanic Parties, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim made or asserted against the Icanic Parties through any affiliate, subsidiary, associated or related person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future;

"**Closing Certificate**" means a certificate in the form attached hereto as Appendix "A" , to be signed and issued by an authorized representative of the Petitioner in accordance with the terms of s. 6.1 hereof;

"**Court**" means the Supreme Court of British Columbia;

"**CSE**" means the Canadian Securities Exchange;

"**Debentureholders' Released Parties**" means, collectively, (i) the Secured Debenture Holders and each of their respective limited partners, general partners and affiliated management companies, (ii) each of their respective officers, directors, employees and controlling persons holding office or employed as of the date of the Support Agreement, in each case, including in any such individual's former capacity as an officer, director, employee or controlling person, and (iii) their counsel and advisors in respect of the Support Agreement, Plan and BCBCA Proceedings;

"**Effective Date**" means the date shown on the Closing Certificate;

"**Effective Time** means the time on the Effective Date specified listed as the "Effective Time" on the Closing Certificate;

"**Final Order**" means the Order of the Court approving the Arrangement under Section 291 of the BCBCA, which shall include such terms as may be necessary or appropriate to give effect to the Arrangement and this Plan;

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory, state, municipality or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Icanic**" means Icanic Brands Company Inc.

"**Icanic Parties**" means Icanic, Leef Holdings, Inc., Paleo Pay Corp. d/b/a Leef Organics, Payne's Distribution LLC d/b/a Leef Distribution, Seven Zero Seven LLC d/b/a Leef Labs, Willits Retail, LLC, EC Retail LLC, Anderson Development SB, LLC, Leef Management, LLC, Preferred Brand LLC, de Krown Enterprises LLC, 1200665 B. C. Ltd, 1127466 B. C. Ltd., THC Engineering Holdings LLC, X-Spray Industries Inc., THC Engineering LLC and AYA Biosciences, Inc.;

"**Icanic Released Parties**" means, collectively, (i) the Icanic Parties, (ii) each of their respective officers, directors and employees, and (iii) each financial advisor and legal counsel that advised the Icanic Parties in respect of the Support Agreement, Plan and BCBCA Proceedings;

"**Indenture**" the indenture dated June 6, 2019 among Leef Holdings, Inc., the Indenture Trustee and Collateral Agent, as amended and supplemented by the First Supplemental Debenture Indenture made as of April 20, 2022 among Icanic, Leef Holdings, Inc., the Indenture Trustee and Collateral Agent;

"**Interim Order**" means the interim order of the Court in respect of the Petitioner pursuant to the BCBCA which, among other things, calls and sets the date for the Meetings, as such order may be amended from time to time;

"**Intermediary**" means a broker, custodian, investment dealer, nominee, bank, trust company or other intermediary;

"**Law**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States, or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity, but excluding all U.S. federal and Canadian federal, provincial or territorial laws, statutes, codes, ordinances, decrees, rules and regulations which apply to the production, trafficking, distribution, processing, extraction, sale or any transactions promoting the business or involving the proceeds of marijuana (cannabis) and related

substances (collectively, the "**Excluded Laws**"), provided, however, that Excluded Laws shall not include any provision of the U.S. Internal Revenue Code, as amended (the "**Code**"), including, without limitation, Section 280E of the Code;

"**Meeting**" means the meeting of the Secured Debenture Holders as of the Record Date to be called and held pursuant to the Interim Order for the purpose of considering and voting on the Secured Debenture Holders' Arrangement Resolution and to consider such other matters as may properly come before such meeting and includes any adjournment(s) or postponement(s) of such meeting;

"**New Indenture**" means the indenture dated as of the Effective Date among Icanic, the Indenture Trustee and Collateral Agent;

"**New Secured Debenture Holders**" means the holders of New Secured Debentures after giving effect to the Plan;

"**New Secured Debentures**" means the 11.0% secured debentures, due on the date that is two years following the Effective Date, to be issued by Icanic under the New Indenture;

"**New Secured Debentures Principal Amount**" means US$10,689,421.50$, plus interest on that amount calculated at the rate provided for in the 2019 Debentures for the period between June 6, 2022 and the Effective Date;

"**Order**" means any order of the Court in the BCBCA Proceedings;

"**Person**" is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government Entity or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;

"**Petitioner**" has the meaning given thereto on the first page of this Plan;

"**Plan**" means this plan of arrangement and any amendments, modifications or supplements hereto made in accordance with the terms hereof or made at the direction of the Court in the Interim Order or Final Order;

"**Pro Rata Share**" means the percentage that the principal amount of Secured Debentures held by an Secured Debenture Holder bears to the aggregate principal amount of all Secured Debentures as at the Record Date;

"**Record Date**" means June 27, 2022;

"**Released Claims**" means, collectively, the matters that are subject to release and discharge pursuant to Section 5.1;

"**Released Parties**" means, collectively, the Icanic Released Parties and the Debentureholders' Released Parties;

"**Requisite Consenting Parties**" means the Secured Debenture Holders that hold (or held) at least 75% in value of the 2019 Debentures outstanding on the Record Date;

"**Shares**" means the common shares in the capital of Icanic;

"**Support Agreement**" means the restructuring support agreement among the Icanic Parties, and certain Secured Debenture Holders dated June 6, 2022 (including, for certainty, the term sheet appended thereto), as may be amended or supplemented from time to time pursuant to its terms;

"**Transfer Agent**" means Endeavor Trust Corporation;

"**Indenture Trustee and Collateral Agent**" means Odyssey Trust Company;

"**Secured Debenture Holders**" means the holders of 2019 Debentures and their permitted successors and assigns;

"**Secured Debenture Holder Claim**" means any Claim of a Secured Debenture Holder for amounts payable to it under the 2019 Debentures and the Indenture, including all principal, accrued interest, make-whole, premium and other amounts owing under the 2019 Debentures and the 2019 Debenture Documents;

"**Secured Debenture Holders' Arrangement Resolution**" means the resolution of the Secured Debenture Holders relating to the Arrangement to be considered at the Meeting, substantially in the form attached as Appendix "A" to the Circular;

"**US Dollars**" or "**US$**" means the lawful currency of the United States of America; and

"**US Securities Act**" means the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder, or any successor statute.

1.2 Certain Rules of Interpretation

For the purposes of this Plan:

(a) Unless otherwise expressly provided herein, any reference in this Plan to an instrument, agreement or an Order or an existing document or exhibit filed or to be filed means such instrument, agreement, Order, document or exhibit as it may have been or may be amended, modified, or supplemented in accordance with its terms;

(b) The division of this Plan into Articles and Sections is for convenience of reference only and does not affect the construction or interpretation of this Plan, nor are the descriptive headings of Articles and Sections intended as complete or accurate descriptions of the content thereof;

(c) The use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;

(d) The words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(e) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends;

(f) Unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Government Entity includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(g) References to a specific Recital, Article or Section shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas the terms "this Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto; and

(h) The word "or" is not exclusive.

1.3 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all

proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

1.4 Currency

Unless otherwise stated, all references in this Plan to sums of money are expressed in, and all payments provided for herein shall be made in, United States Dollars.

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Time

Time shall be of the essence in this Plan. Unless otherwise specified, all references to time expressed in this Plan and in any document issued in connection with this Plan mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

ARTICLE 2
TREATMENT OF AFFECTED PARTIES

2.1 Treatment of Secured Debenture Holders

(a) On the Effective Date and in accordance with the steps and sequence as set forth in Section 4.3, each Secured Debenture Holder shall receive:

(i) its Pro Rata Share of the Cash Distribution Pool, to be paid in connection with the Arrangement; and

(ii) its Pro Rata Share of the New Secured Debentures issued for the New Debentures Principal Amount in connection with the Arrangement,

which shall, and shall be deemed to, be received in full and final settlement of its 2019 Debentures and Secured Debenture Holder Claims.

(b) After giving effect to the terms of this Section 2.1, the obligations of the Icanic Parties with respect to the 2019 Debentures and the Indenture shall, and shall be deemed to, have been irrevocably and finally extinguished, each Secured Debenture Holder shall have no further right, title or interest in or to the 2019 Debentures or its Secured Debenture Holder Claim, and the 2019 Debentures and the Indenture shall be cancelled.

(c) The issuance of New Secured Debentures in exchange for the 2019 Debentures and Secured Debenture Holder Claims pursuant to this Plan has not been and will not be registered under the US Securities Act or the securities laws of any state of the United States, but will be issued pursuant to the exemption set forth in Section 3(a)(10) of the US Securities Act.

ARTICLE 3
ISSUANCES AND PAYMENTS

3.1 Delivery of New Secured Debentures

The delivery of the New Secured Debentures to be issued to the Secured Debenture Holders pursuant to the Plan shall be made by way of certificates or DRS statements in respect of the New Secured Debentures and delivered directly to the New Secured Debenture Holders.

3.2 Delivery of Cash Distribution Pool

The Company or the Indenture Trustee at the direction of the Company will deliver or pay, or cause to be delivered or paid, to each Secured Debenture Holder its Pro Rata Share of the Cash Distribution Pool in accordance with section 2.1 of this Plan.

3.3 No Liability in respect of Deliveries

None of the Icanic Parties, nor their respective directors or officers, shall have any liability or obligation in respect of any deliveries, directly or indirectly, from the Transfer Agent, the Intermediaries, or any other duly appointed agent, in each case to the ultimate beneficial recipients of any consideration payable or deliverable by the Icanic Parties pursuant to this Plan.

3.4 Surrender and Cancellation of the Secured Debentures

On the Effective Date, each of the Secured Debenture Holders shall surrender, or cause the surrender of, the certificate(s) representing the 2019 Debentures to the Transfer Agent for cancellation in exchange for the consideration payable to Secured Debenture Holders under Section 2.1 of this Plan.

3.5 Withholding Rights

The Petitioner shall be entitled to deduct and withhold from any consideration or other amount deliverable or otherwise payable to any Person hereunder such amounts as the Petitioner is required to deduct or withhold with respect to such payment under the *Income Tax Act* (Canada), or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the relevant Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

ARTICLE 4
IMPLEMENTATION

4.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of any members of the Icanic Parties will occur and be effective as of the Effective Date (or such other date as the Petitioner and the Requisite Consenting Parties may agree, each acting reasonably), and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Final Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the Icanic Parties. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Icanic Parties, as applicable.

4.2 Fractional Interests

The principal amount of New Debentures that each Secured Debenture Holder shall be entitled to under this Plan shall in each case be rounded down to the nearest $0.01 without compensation therefor.

4.3 Effective Date Transactions

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order, in an uninterrupted sequence, in five minute increments (unless otherwise indicated) and at the times set out in this Section 4.3 (or in such other manner or order or at such other time or times as the Petitioner and the Requisite Consenting Parties may agree, each acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) the outstanding principal amount of each Secured Debenture Holder's 2019 Debentures, plus all accrued and unpaid interest on such principal amount, shall be forgiven, settled and extinguished.

(b) Concurrently:

(i) The Secured Debenture Holder shall become "New Secured Debenture Holders";

(ii) Icanic, the New Secured Debenture Holders, the Trustee and the Collateral Agent shall be deemed to have entered into the New Indenture and all related documentation;

(iii) Icanic or the Indenture Trustee shall deliver or pay (or cause to be delivered or paid), as the case may be, to each New Secured Debenture Holders:

(A) its New Secured Debentures in an aggregate principal amount equal to such New Secured Debenture Holders Pro Rata Share of the New Debentures Principal Amount, which New Secured Debenture shall be distributed in the manner described in Section 3.1; and

(B) a cash amount equal to its Pro Rata Share of the Cash Distribution Pool, which amount shall be paid in the manner described in Section 3.2;

(c) Concurrently with the delivery of the New Secured Debentures to be issued to the New Secured Debenture Holders in accordance with Section 4.3(c):

(i) the Secured Debenture Holder Claims shall, and shall be deemed to be, irrevocably and finally extinguished and such Secured Debenture Holder shall have no further right, title or interest in and to the Secured Debentures or its Secured Debenture Holder Claim; and

(ii) the 2019 Debentures and the 2019 Debenture Documents shall be cancelled, provided that the 2019 Debenture Documents shall remain in effect solely to allow the applicable persons, as necessary, to make the distributions set forth in this Plan.

(d) The releases referred to in Section 5.1 shall become effective.

ARTICLE 5
RELEASES

5.1 Release of Released Parties

At the applicable time pursuant to Section 4.3, each of the Released Parties shall be released and discharged from all present and future actions, causes of action, damages, judgments, executions, obligations, liabilities and Claims of any kind or nature whatsoever (other than liabilities or claims attributable to such Released Party's gross negligence, fraud or wilful misconduct as determined by the final judgment of a court of competent jurisdiction following the exhaustion of all rights of appeal), which any Person now has, or may have against any of the Released Parties, arising on or prior to the Effective Date in connection with the 2019 Debentures, the 2019 Debenture Documents, the Secured Debenture Holder Claims, the Support Agreement, this Plan, the BCBCA Proceedings, the transactions contemplated hereunder and any proceedings commenced with respect to or in connection with this Plan; provided that, nothing in this paragraph shall release or discharge any of the Released Parties from or in respect of their obligations under this Plan, the Support Agreement, the New Indenture and the New Secured Debentures.

ARTICLE 6
CONDITIONS PRECEDENT AND IMPLEMENTATION

6.1 Conditions to Plan Implementation

The implementation of this Plan shall be conditional upon the fulfillment, satisfaction or waiver (to the extent permitted by Section 6.2) of the following conditions, and upon such fulfillment, satisfaction or waiver the "**Effective Date**" shall occur and the Petitioner shall deliver a Closing Certificate evidencing same:

(a) The Court shall have granted the Final Order, the operation and effect of which shall not have been stayed, reversed or amended, and in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;

(b) No Law shall have been passed and become effective, the effect of which makes the consummation of this Plan illegal or otherwise prohibited;

(c) All conditions to implementation of this Plan set out in the Support Agreement shall have been satisfied or waived in accordance with their terms and the Support Agreement shall not have been terminated;

(d) Icanic shall remain a public company following the implementation of the Plan and the Shares shall be approved for trading on the CSE, or on another stock exchange acceptable to New Secured Debenture Holders, subject only to receipt of customary final documentation; and

6.2 Waiver of Conditions

The Petitioner and the Requisite Consenting Parties, upon unanimous agreement, may at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, to the extent and on such terms as such parties may agree, each acting reasonably, provided however that the conditions set out in Sections 6.1(a), (b), cannot be waived.

6.3 Effectiveness

(a) This Plan will become effective in the sequence described in Section 4.3 upon the issuance of the Closing Certificate at the Effective Time on the Effective Date, and shall be binding on and enure to the benefit of the Icanic Parties, the Secured Debenture Holders, the Released Parties, the directors and officers of the Icanic Parties and all other Persons named or referred to in, or subject to, this Plan and their respective successors and assigns and their respective heirs, executors, administrators and other legal representatives, successors and assigns. The Closing Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions in Section 4.3 has become effective in the sequence set forth therein. No portion of this Plan shall take effect with respect to any party or Person until the Effective Time.

(b) Notwithstanding the foregoing, to the extent the approval, consent or authorization of any U.S. state or local Governmental Entity is required under applicable Law to approve the transactions contemplated by this Plan with respect to any Person, this Plan shall not be effective with respect to such Person until the approval, consent or authorization of the applicable Governmental Entity(ies) is obtained.

ARTICLE 7
GENERAL

7.1 Deemed Consents, Waivers and Agreements

At the Effective Time:

(a) each Secured Debenture Holder shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety;

(b) each Icanic Party, and Secured Debenture Holder shall be deemed to have executed and delivered to the other parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety; and

(c) all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety shall be deemed to have been executed and delivered to the Icanic Parties.

7.2 Waiver of Defaults

From and after the Effective Time, all Persons shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety. Without limiting the foregoing, all Persons shall be deemed to have:

(a) waived any and all defaults or events of default or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to, arising out of, or in connection with, the 2019 Debentures, the 2019 Debenture Documents, the Support Agreement, the Arrangement, this Plan, the transactions contemplated hereunder and any proceedings commenced with respect to or in connection with this Plan and any and all amendments or supplements thereto. Any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection with any of the foregoing shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Icanic Parties and their respective successors from performing their obligations under this Plan; and

(b) agreed that, if there is any conflict between the provisions of any agreement or other arrangement, written or oral, existing between such Person and the Icanic Parties and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are deemed to be amended accordingly.

7.3 Paramountcy

From and after the Effective Date, any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, by-laws or other agreement, written or oral, and any and all amendments or supplements thereto existing between one or more of the Secured Debenture Holders, on the one hand, and any of the Icanic Parties, on the other hand, as at the Effective Date shall be deemed to be governed by the terms, conditions and provisions of this Plan and the Final Order, which shall take precedence and priority.

7.4 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

7.5 Modification of Plan

Subject to the terms and conditions of the Support Agreement:

(a) the Petitioner reserves the right to amend, restate, modify and/or supplement this Plan at any time and from time to time, provided that any such amendment, restatement, modification or supplement must be contained in a written document that is (i) filed with the Court and, if made following the Meeting, approved by the Court, (ii) agreed to by each of the Requisite Consenting Parties, and (iii) communicated to the Secured Debenture Holders in the manner required by the Court (if so required);

(b) any amendment, modification or supplement to this Plan may be proposed by the Petitioner, with the consent of each of the Requisite Consenting Parties, at any time prior to or at the Meeting, with or without any prior notice or communication (other than as may be required under the Interim Order), and if so proposed and accepted at the Meetings, shall become part of this Plan for all purposes; and

(c) any amendment, modification or supplement to this Plan may be made following the Meeting by the Petitioner, with the consent of each of the Requisite Consenting Parties, and without requiring filing with, or approval of, the Court, provided that it concerns a matter which is of an administrative nature and is required to better give effect to the implementation of this Plan and is not materially adverse to the financial or economic interests of any of the Secured Debenture Holders.

7.6 Notices

Any notice or other communication to be delivered hereunder must be in writing and refer to this Plan and may, as hereinafter provided, be made or given by personal delivery, ordinary mail or email addressed to the respective parties as follows:

(a) If to the Icanic Parties at: Icanic Brands Company Inc.

c/o McMillan LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

Attention: Desmond Balakrishnan, Brett Harrison and Tushara Weerasooriya

Email: desmond.balakrishnan@mcmillan.ca
brett.harrison@mcmillan.ca
tushara.weerasooriya@mcmillan.ca

(b) If to one or more of the Secured Debenture Holders at:

The address set forth for each applicable Secured Debenture Holder on its signature page to the Support Agreement.

or to such other address as any party above may from time to time notify the others in accordance with this Section 7.6. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by email and any notice or other communication given or made by prepaid mail within the five Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. Any such notices and communications so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of emailing, provided that such day in either event is a Business Day and the communication is so delivered or emailed before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. The unintentional failure by the Petitioner to give a notice contemplated hereunder to any particular Secured Debenture Holder shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

7.7 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan without any further act or formality, each of the Persons named or referred to in, affected by or subject to, this Plan will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

APPENDIX "A"
FORM OF CLOSING CERTIFICATE

RE: Plane of Arrangement of ICANIC BRANDS COMPANY INC., and such other "Icanic Parties" listed therein, dated […], 2022 (the "Plan of Arrangement")

Defined terms used but not defined in this certificate shall have the meanings ascribed thereto in the Plan of Arrangement.

The undersigned hereby confirms that the undersigned is satisfied that the conditions precedent to the Plan of Arrangement, including but not limited to those conditions precedent set out in the Support Agreement dated June 6, 2022 involving, *inter alia*, the undersigned, have been satisfied and that the Arrangement is completed as of _____ (am/pm Toronto time) (the "**Effective Time**") on _____ (the "**Effective Date**").

ICANIC BRANDS COMPANY INC

_____

[Name], [Title]

APPENDIX “F” – NOTICE OF HEARING FOR FINAL ORDER

(see attached)

No.S-225354
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 291 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT OF ICANIC BRANDS COMPANY INC. AND INVOLVING LEEF HOLDINGS, INC., PALEO PAY CORP. DBA LEEF ORGANICS, PAYNE'S DISTRIBUTION LLC, DBA LEEF DISTRIBUTION, SEVEN ZERO SEVEN LLC, DBA LEEF LABS, WILLITS RETAIL, LLC, EC RETAIL LLC, ANDERSON DEVELOPMENT SB, LLC., LEEF MANAGEMENT, LLC, PREFERRED BRAND LLC, DE KROWN ENTERPRISES LLC, 1200665 B.C. LTD., 1127466 B.C. LTD., THC ENGINEERING HOLDINGS LLC, X-SPRAY INDUSTRIES INC., THC ENGINEERING LLC, and AYA BIOSCIENCES, INC.

ICANIC BRANDS COMPANY INC.

PETITIONER

NOTICE OF HEARING OF PETITION
(FOR FINAL ORDER)

TAKE NOTICE that the petition of the Petitioner dated June 30, 2022, for the Final Order will be heard at the courthouse at 800 Smithe Street, in the City of Vancouver, Province of British Columbia, on **August 15, 2022 at 9:45 a.m.**

The Petitioner estimates that the hearing will take 15 minutes.

This matter is not within the jurisdiction of a Master.

Dated: July 11, 2022

Signature of Daniel Shouldice
Counsel for the Petitioner

APPENDIX "G" – WARRANT INDENTURE

ICANIC BRANDS COMPANY INC.

as the Corporation

and

ODYSSEY TRUST COMPANY

as the Warrant Agent

WARRANT INDENTURE
Providing for the Issue of Warrants

Dated as of [●], 2022

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SCHEDULES

WARRANT INDENTURE

THIS WARRANT INDENTURE (the "**Indenture**") is dated as of ●, 2022.

BETWEEN:

ICANIC BRANDS COMPANY INC., a company existing under the laws of the Province of British Columbia (the "**Corporation**"),

- and -

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of the *Loan and Trust Corporations Act* (Alberta) with an office in the City of Calgary in the Province of Alberta (the "**Warrant Agent**")

WHEREAS pursuant to a plan of arrangement dated [●] (the "**Plan of Arrangement**") the Corporation entered into a New Secured Debenture Indenture (as defined herein) dated [●] providing for the issuance of the Convertible Debentures (as defined herein) convertible into Units (as defined herein);

AND WHEREAS each Unit consists of a Share and a Warrant;

AND WHEREAS the Warrants shall be issued and governed by this Indenture;

AND WHEREAS the number of Warrants required to be issued upon conversion of the Convertible Debentures pursuant to the New Secured Debenture Indenture, shall be created and issued pursuant to this Indenture on the Issue Date;

AND WHEREAS each Warrant is exercisable for one Share (as defined herein) upon payment of the Exercise Price (as defined herein), subject to adjustments prior to the Expiry Time (as defined herein), pursuant to the terms and conditions herein set forth;

AND WHEREAS all acts and deeds necessary have been done and performed to make the Warrants, when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture; and

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent.

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions.

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

"**Adjustment Period**" means the period from the Effective Date up to and including the Expiry Time;

"**Applicable Law**" means any applicable statute of Canada or a province thereof, and of the United States or any state thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and obligations of warrant agent under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

"**Auditors**" means Macias Gini & O'Connell, Certified Public Accountants, or such other firm of chartered professional accountants duly appointed as auditors of the Corporation, from time to time;

"**Authenticated**" means with respect to the issuance of: (a) a Warrant Certificate, one which has been duly signed by the Corporation or on which the signatures of the Corporation have been printed, lithographed or otherwise mechanically reproduced and authenticated by manual signature of an authorized officer of the Warrant Agent; and (b) an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, and "**Authenticate**", "**Authenticating**" and "**Authentication**" have the appropriate correlative meanings;

"**Book Entry Participants**" means institutions that participate directly or indirectly in the Depository's book entry registration system for the Warrants;

"**Book Entry Warrants**" means Warrants that are to be held only by or on behalf of the Depository;

"**Business Day**" means any day other than Saturday, Sunday or a statutory or civic holiday, or any other day on which banks are not open for business in the cities of Vancouver, British Columbia, Calgary, Alberta, or Toronto, Ontario, and shall be a day on which the Exchange is open for trading;

"**CDS Global Warrants**" means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

"**CDSX**" means the settlement and clearing system of CDS Clearing and Depository Services Inc. for equity and debt securities in Canada;

"**Certificated Warrant**" means a Warrant evidenced by a writing or writings substantially in the form of Schedule "A", attached hereto;

"**Share Reorganization**" has the meaning set forth in Section 4.1(a);

"**Confirmation**" has the meaning set forth in Section 3.2(4);

"Convertible Debentures", or **"Debentures"** means the 11.0% secured convertible debentures of the Corporation created and issued pursuant to the New Secured Convertible Debenture Indenture;

"**Corporation**" has the meaning attributed to it on page 1 of this Indenture, and includes any successor corporation to or of the Corporation, which shall have complied with Section 8.2;

"**Counsel**" means a barrister and/or solicitor or a firm of barristers and/or solicitors retained by the Warrant Agent or retained by the Corporation, which may or may not be counsel for the Corporation;

"**Current Market Price**" means, generally, the VWAP of the Shares on the Exchange if the Shares are listed on the Exchange, for the five consecutive Trading Days ending on the Trading Day preceding the applicable date. If the Shares are not listed on the Exchange, reference shall be made for the purpose of the above calculation to the principal securities exchange or market on which the Shares are listed or quoted or if no such prices are available;

"**Depository**" means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

"**Directors**" means the board of directors of the Corporation;

"**Dividends**" means any dividends paid by the Corporation;

"**DRS**" means the direct registration system of the Warrant Agent;

"**Effective Date**" means the date of this Indenture;

"**Exchange**" means the Canadian Securities Exchange;

"**Exchange Rate**" means the number of Shares subject to the right of purchase under each Warrant, which as of the Effective Date is one;

"**Exercise Date**" means, in relation to a Warrant, the Business Day on which such Warrant is validly exercised or deemed to be validly exercised in accordance with Article 3 hereof;

"**Exercise Notice**" has the meaning set forth in Section 3.2(1);

"**Exercise Price**" at any time means the price at which a Share may be purchased by the exercise of a Warrant, which is initially $0.15 per Share, payable in immediately available Canadian funds, subject to adjustment in accordance with the provisions of Section 4.1;

"**Expiry Date**" means 24 months from the Issue Date;

"**Expiry Time**" means 5:00 p.m. (Vancouver time) on the Expiry Date;

"**Extraordinary Resolution**" has the meaning set forth in Section 7.11(1);

"**Indenture**" has the meaning set forth on the face page hereof;

"**Initial Debentures**" means Convertible Debentures originally issued to, or for the account or benefit of, persons in the United States and U.S. Persons pursuant to the Plan of Arrangement in reliance on the Section 3(a)(10) Exemption;

"**Initial Warrants**" means Warrants issued upon conversion of Initial Debentures in reliance on the Section 3(a)(9) Exemption, provided that no commission or other remuneration is paid, directly or indirectly, for soliciting the conversion;

"**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent, it being understood that neither preparation and issuance shall constitute part of such procedures for any purpose of this definition;

"**Issue Date**" means in relation to a Warrant, the date of issue of the Warrant as per written order of the Corporation;

"New Secured Debenture Indenture" means the New Secured Debenture indenture dated the Effective Date between the Corporation and the Warrant Agent in its capacity as New Secured Debenture trustee and collateral agent;

"**Plan of Arrangement**" has the meaning set forth in the preamble;

"**register**" means the one set of records and accounts maintained by the Warrant Agent pursuant to Section 2.9:

"**Registered Warrantholders**" means the persons who are registered owners of Warrants as such names appear on the register, and for greater certainty, shall include the Depository as well as the holders of Uncertificated Warrants appearing on the register of the Warrant Agent;

"**Regulation D**" means Regulation D as promulgated by the SEC under the U.S. Securities Act;

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

"**SEC**" means the United States Securities and Exchange Commission;

"**Section 3(a)(9) Exemption**" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(9) thereof;

"**Section 3(a)(10) Exemption**" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof;

"**Shareholders**" means holders of Shares;

"**Shares**" means, subject to Article 4, fully paid and non-assessable common shares in the capital of the Corporation as presently constituted;

"**this Warrant Indenture**", "**this Indenture**", "**this Agreement**", "**hereto**" "**herein**", "**hereby**", "**hereof**" and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

"**Trading Day**" means, with respect to the Exchange or other market for securities, any day on which such exchange or market is open for trading or quotation;

"**Uncertificated Warrant**" means any Warrant which is not a Certificated Warrant including but not limited to any Warrant held through DRS;

"**United States**" or "**U.S.**" means, as the context requires, the United States of America, its territories and possessions, any State of the United States, or any political subdivision thereof, and/or the District of Columbia;

"**Unit** means a unit issuable upon conversion of the Debentures, with each Unit comprised of a Share and a Warrant;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S;

"**U.S. Purchaser Letter**" means the U.S. Purchaser letter in substantially the form attached hereto as Schedule "D";

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

"**U.S. Warrantholder**" means any Warrantholder that (i) is a U.S. Person, (ii) was offered Units in the United States, (iii) executed a buy order or purchase agreement for Units in the United States, or (iv) acquired Warrants (A) in the United States or (B) for the account or benefit of any U.S. Person or any person in the United States;

"**VWAP**" means the per share volume weighted average trading price of the Shares for the applicable period (which must be calculated utilizing days in which the Shares actually trade)

on the Exchange (or if the Shares are no longer traded on the Exchange, on such other exchange as the Shares are then traded);

"**Warrant Agency**" means the principal office of the Warrant Agent in the City of Vancouver, British Columbia or the City of Calgary, Alberta or such other place as may be designated in accordance with Section 3.5;

"**Warrant Agent**" means Odyssey Trust Company, in its capacity as agent of the Warrants, or its successors from time to time;

"**Warrant Certificate**" means a certificate, substantially in the form set forth in Schedule "A" hereto, to evidence those Warrants that will be evidenced by a certificate;

"**Warrantholders**", or "**holders**" without reference to Warrants, means the warrantholders as and in respect of Warrants registered in the name of the Depository and includes owners of Warrants who beneficially hold securities entitlements in respect of the Warrants through a Book Entry Participant, or means, at a particular time, the persons entered in the register hereinafter mentioned as holders of Warrants outstanding at such time;

"**Warrantholders' Request**" means an instrument signed in one or more counterparts by Registered Warrantholders entitled to acquire in the aggregate not less than 50% of the aggregate number of Shares which could be acquired pursuant to all Warrants then unexercised and outstanding, requesting the Warrant Agent to take some action or proceeding specified therein; and "**written order of the Corporation**", "**written request of the Corporation**", "**written consent of the "Corporation**", "**Officer's Certificate**" and "**certificate of the Corporation**" mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any one duly authorized signatory of the Corporation and may consist of one or more instruments so executed; and

"**Warrants**" means the Share purchase warrants issuable upon conversion of the Units, created by and authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Certificated Warrant and/or Uncertificated Warrant evidenced by a DRS statement or held through the book entry registration system on a no certificate issued basis, each of which entitles the holder thereof to purchase one Share (subject to adjustment as herein provided) at the Exercise Price prior to the Expiry Time.

Section 1.2 Gender and Number.

Words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa.

Section 1.3 Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Warrants.

Section 1.4 Day not a Business Day.

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

Section 1.5 Time of the Essence.

Time shall be of the essence of this Indenture and each Warrant.

Section 1.6 Monetary References.

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

Section 1.7 Applicable Law.

This Indenture, the Warrants and the Warrant Certificates (including all documents relating thereto, which by common accord have been and will be drafted in English) shall be construed in accordance with the laws of the Province of British Columbia**,** and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts. Each of the parties hereto, which shall include the Warrantholders, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia with respect to all matters arising out of this Indenture and the transactions contemplated herein.

ARTICLE 2
ISSUE OF WARRANTS

Section 2.1 Creation and Issue of Warrants.

The number of Warrants required to be issued upon conversion of the Convertible Debentures pursuant to the New Secured Debenture Indenture are hereby created and authorized to be issued on the Issue Date in accordance with the terms and conditions hereof. By written order of the Corporation, the Warrant Agent shall issue and deliver Warrants represented by Warrant Certificates or Uncertificated Warrants pursuant to Section 2.5 hereof to Registered Warrantholders and record the names of the Registered Warrantholders on the Warrant register. Registration of interests in Warrants held by the Depository may be evidenced by a position appearing on the register for Warrants of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

Section 2.2 Terms of Warrants.

(1) Subject to the applicable conditions for exercise set out in Article 3 having been satisfied and subject to adjustment in accordance with Section 4.1, each Warrant shall entitle each Warrantholder thereof, upon exercise at any time after the Issue Date and prior to the Expiry Time, to acquire one (1) Share upon payment of the Exercise Price.

(2) No fractional Warrants shall be issued or otherwise provided for hereunder and Warrants may only be exercised in a sufficient number to acquire whole numbers of Shares. Any fractional Warrants shall be rounded down to the nearest whole number and no consideration shall be paid for any such fractional Warrant, which is not issued.

(3) Each Warrant shall entitle the holder thereof to such other rights and privileges as are set forth in this Indenture.

(4) The number of Shares which may be purchased pursuant to the Warrants and the Exercise Price therefor shall be adjusted upon the events and in the manner specified in Section 4.1.

(5) Neither the Corporation nor the Warrant Agent shall have any obligation to deliver Shares upon the exercise of any Warrant if the person to whom such shares are to be delivered is a resident of a country or political subdivision thereof in which the Shares may not lawfully be issued pursuant to applicable securities legislation. The Corporation or the Warrant Agent may require any person to provide proof of an applicable exemption from such securities legislation to the Corporation and Warrant Agent before Shares are delivered pursuant to the exercise of any Warrant.

Section 2.3 Warrantholder not a Shareholder.

Except as may be specifically provided herein, nothing in this Indenture or in the holding of a Warrant Certificate, entitlement to a Warrant or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to Dividends and other allocations.

Section 2.4 Warrants to Rank Pari Passu.

All Warrants shall rank equally and without preference over each other, whatever may be the actual date of issue thereof.

Section 2.5 Form of Warrants, Certificated Warrants.

(1) The Warrants may be represented by Warrant Certificates or Uncertificated Warrants. Any Warrants issued, sold or transferred to a U.S. Warrantholder, other than Initial Warrants, must be in individual Warrant Certificates only. All Warrant Certificates issued to a U.S. Warrantholder, other than Warrant Certificates representing Initial Warrants, must bear the applicable legends as set forth in Section 2.8. All Warrants issued in certificated form shall be evidenced by a Warrant Certificate (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule "A" hereto, which shall be dated as of the Issue Date, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. All Warrants issued to the Depository may be in either a certificated or

uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.9.

(2) Each Warrantholder by purchasing such Warrant acknowledges and agrees that the terms and conditions set forth in the form of the Warrant Certificate set out in Schedule "A" hereto shall apply to all Warrants and Warrantholders regardless of whether such Warrants are represented by Warrant certificates or Uncertificated warrants or whether such Warrantholders are Registered Warrantholders or owners of Warrants who beneficially hold security entitlements in respect of the Warrants through a Depository.

(3) The number of Shares which may be purchased pursuant to the exercise of Warrants and the Exercise Price payable therefor shall be adjusted in the events and the manner specified in Article 4.

(4) Each Warrant shall entitle the holder thereof to such other rights and privileges as are set forth in this Indenture.

Section 2.6 Book Entry Warrants.

(1) Registration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where Warrant Certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have Warrants registered in their names and shall not receive or be entitled to receive Warrant Certificates or to have their names appear in the register referred to in Section 2.9 herein. Notwithstanding any terms set out herein, Warrants having the legend set forth in Section 2.8(1) herein may only be held in the form of Uncertificated Warrants with the prior consent of the Warrant Agent and in accordance with the Internal Procedures of the Warrant Agent.

(2) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:

(a) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Warrants and the Corporation is unable to locate a qualified successor;

(b) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;

(c) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;

(d) the Corporation determines that the Warrants shall no longer be held as Book Entry Warrants through the Depository;

(e) such right is required by Applicable Law, as determined by the Corporation and the Corporation's Counsel;

(f) the Warrant, other than an Initial Warrant, is to be Authenticated to or for the account or benefit of a U.S. Warrantholder (in which case the Warrant Certificate shall contain the legend set forth in Section 2.8(1), if applicable); or

(g) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

following which, Warrant Certificates shall be registered and issued to the beneficial owners of such Warrants or their nominees as directed by the Depository. The Corporation shall provide a certificate executed by an officer of the Corporation giving notice to the Warrant Agent of the occurrence of any event outlined in Section 2.6(2)(a) to Section 2.6(2)(f).

(3) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants which are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.11, *mutatis mutandis*. All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct, and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants or to the legend required by Section 2.8(1) and the restrictions set out in such legend) as the CDS Global Warrants or portion thereof surrendered upon such exchange.

(4) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.

(5) Notwithstanding anything to the contrary in this Indenture, subject to Applicable Law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.

(6) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by Applicable Law and agreements between the Depository and the

Book Entry Participants and between such Book Entry Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Participant in accordance with the rules and procedures of the Depository.

(7) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:

(a) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(b) maintaining, supervising or reviewing any records of the Depository or any Book Entry Participant relating to any such interest; or

(c) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Participant.

(8) The Corporation may terminate the application of this Section 2.6 in its sole discretion in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a person other than the Depository.

Section 2.7 Warrant Certificate.

(1) For Warrants represented by Warrant Certificates (including all replacements issued in accordance with this Indenture), the form of certificate representing Warrants shall be substantially as set out in Schedule "A" hereto or such other form as is authorized in writing from time to time by the Corporation and the Warrant Agent. Each Warrant Certificate shall be Authenticated on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by any one duly authorized signatory of the Corporation; whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. The Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.

(2) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Warrant has been duly issued hereunder

and that the holder or holders are entitled to the benefits of this Indenture, including valid entitlements to the Shares. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.

(3) Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and Applicable Law, validly entitle the holder to acquire Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Indenture.

(4) No Warrant shall be considered issued and shall be valid or obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof. Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.

(5) No Certificated Warrant shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by signature by or on behalf of the Warrant Agent substantially in the form of the Warrant set out in Schedule "A" hereto. Such Authentication on any such Certificated Warrant shall be conclusive evidence that such Certificated Warrant is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(6) No Uncertificated Warrant shall be considered issued or shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(7) The Authentication by the Warrant Agent of any Warrants whether by way of entry on the register or otherwise shall not be construed as a representation or warranty by the Warrant Agent as to the validity of the Indenture or such Warrants (except the due

Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or the proceeds thereof.

Section 2.8 Legends.

(1) Neither the Warrants nor the Shares have been, nor will they be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered, sold or otherwise disposed of in the United States, or to or for the account or benefit of a U.S. Person or a person in the United States, unless an exemption from the registration requirements under the U.S. Securities Act and applicable U.S. state securities laws is available, and the holder agrees not to offer, sell or otherwise dispose of the Warrants or Shares in the United States, or to 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 or an exemption from registration under the U.S. Securities Act and applicable state securities laws is available. Warrants, other than Initial Warrants, issued to, or for the account or benefit of, a U.S. Warrantholder, as well as any Shares issued to, or for the account or benefit of, a U.S. Warrantholder upon exercise of Warrants (including, for avoidance of doubt, Initial Warrants) must be issued only in individually certificated form, subject to the requirements of Section 3.3(3).

Any certificates representing Warrants issued to a U.S. Warrantholder, other than Initial Warrants, and, if applicable, any certificates representing Shares issued on exercise of Warrants (including, for avoidance of doubt, Initial Warrants) issued to a U.S. Warrantholder, and any certificates issued in replacement thereof or in substitution therefor, shall, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, bear a legend in substantially the following form:

> "THE SECURITIES REPRESENTED HEREBY [***for Warrants add:*** **AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF**] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U. S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ICANIC BRANDS COMPANY INC. (THE "CORPORATION") THAT THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (II) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE U.S. STATE

> SECURITIES LAWS, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS; PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER OF THE SECURITIES HAS FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION. [***For Shares add:*** DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON A CANADIAN STOCK EXCHANGE.]"

provided that, if any such Warrants and any such Shares issued on exercise of such Warrants are being sold outside the United States in accordance with Rule 904 of Regulation S, if available, and in compliance with applicable local securities laws and regulations, and the Warrants or Shares, as the case may be, were acquired when the Corporation qualified as a "foreign issuer" (as defined in Rule 902 of Regulation S), the legend set forth above may be removed by providing a declaration to the Corporation, and to its registrar and transfer agent or the Warrant Agent as applicable, to the effect set forth in Schedule "C" hereto together with such documentation as the Corporation, the transfer agent or the Warrant Agent, as applicable, may reasonably request; provided further that, if any such securities are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or with the prior written consent of the Corporation pursuant to another exemption from registration under the U.S. Securities Act and applicable state securities laws, the legend may be removed by delivery to the Corporation and to the transfer agent or the Warrant Agent as applicable, of an opinion of counsel of recognized standing, satisfactory in form and substance to the Corporation, and to the transfer agent or the Warrant Agent as applicable, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

The Warrant Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

Any certificates representing Warrants (including, for avoidance of doubt, Initial Warrants) issued to a U.S. Warrantholder, and any certificates issued in replacement thereof or in substitution therefor, shall also bear a legend in substantially the following form:

> "THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR AN EXEMPTION FROM SUCH REGISTRATION

REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(2) Each CDS Global Warrant originally issued in Canada and held by the Depository, and each CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO ICANIC BRANDS COMPANY INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

(3) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legend contained in Section 2.8(1) or Section 2.8(2) or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Warrant Agent shall be entitled to assume that all transfers that are processed in accordance with this Indenture are legal and proper.

(4) The Warrant Agent acknowledges that:

(a) the Initial Debentures have been issued pursuant to the Plan of Arrangement in reliance on the Section 3(a)(10) Exemption, with the result that such Initial Debentures are not be "restricted securities" within the meaning assigned to that term in Rule 144(a)(3) under the U.S. Securities Act; and

(b) any Shares or Initial Warrants comprising the Units issued upon conversion of such Initial Debentures shall not be "restricted securities" within the meaning assigned to that term in Rule 144(a)(3) under the U.S. Securities Act, and shall neither be required to be issued under a restricted CUSIP nor bear a U.S.

restrictive legend, provided that: (i) the Shares and Initial Warrants are issued in reliance on the Section 3(a)(9) Exemption, and (ii) no commission or other remuneration is paid, directly or indirectly, for soliciting the conversion.

Section 2.9 Register of Warrants

(1) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether represented by Warrant Certificates or Uncertificated Warrants, which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):

(a) the name and address of the Registered Warrantholder, the date of Authentication thereof and the number of Warrants;

(b) whether such Warrant is a Certificated Warrant or an Uncertificated Warrant and, if a Certificated Warrant, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto if any;

(c) whether such Warrant has been cancelled; and

(d) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.

The register shall be available for inspection by the Corporation and or any Warrantholder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any Warrantholder exercising such right of inspection shall first provide an affidavit in form satisfactory to the Corporation and the Warrant Agent stating the name and address of the Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

(2) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably (i) consented to the foregoing authority of the Warrant Agent to make such minor error corrections and (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and

expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent), sustained by the Corporation or the Warrant Agent as a proximate result of such error if but only if and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

Section 2.10 Issue in Substitution for Warrant Certificates Lost, etc.

(1) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to Applicable Law, shall issue and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor, and bearing the same legend(s), as applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.

(2) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issuance thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent, in their sole discretion, acting reasonably, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent, in their sole discretion, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

Section 2.11 Exchange of Warrant Certificates.

(1) Any one or more Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent (including compliance with applicable securities legislation), be exchanged for one or more other Warrant Certificates representing the same aggregate number of Warrants, and bearing the same legend(s), as applicable, as represented by the Warrant Certificate or Warrant Certificates so exchanged.

(2) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate from the holder (or such other instructions, in form

satisfactory to the Warrant Agent), tendered for exchange shall be surrendered to the Warrant Agency and cancelled by the Warrant Agent.

(3) Warrant Certificates exchanged for Warrant Certificates that bear the legend(s) set forth in Section 2.8(1) shall bear the same legend(s), if applicable.

Section 2.12 Transfer and Ownership of Warrants.

(1) The Warrants may only be transferred on the register kept by the Warrant Agent at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificates representing the Warrants to be transferred together with a duly executed transfer form as set forth in Schedule "A" and (b) in the case of Book Entry Warrants, in accordance with procedures prescribed by the Depository under the book entry registration system, (c) in the case of Uncertificated Warrants in the form of DRS, in accordance with the Internal Procedures prescribed by the Warrant Agent, and (d) upon compliance with:

(i) the conditions herein;

(ii) such reasonable requirements as the Warrant Agent may prescribe; and

(iii) all applicable securities legislation and requirements of regulatory authorities;

and such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee of a Certificated Warrant a Warrant Certificate representing the Warrants transferred, and to the transferee of an Uncertificated Warrant, an Uncertificated Warrant representing the Warrants transferred, or the Warrant Agent shall Authenticate and deliver a Warrant Certificate upon request that part of the CDS Global Warrant be certificated, and the transferee of a Book Entry Warrant shall be recorded through the relevant Book Entry Participant in accordance with the book-entry registration system as the entitlement holder in respect of such Warrants. Transfers within the systems of the Depository are not the responsibility of the Warrant Agent and will not be noted on the register maintained by the Warrant Agent.

(2) If a Warrant Certificate tendered for transfer bears the legend set forth in Section 2.8(1), the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and such securities may be transferred only (A) to the Corporation, (B) outside the United States in accordance with Rule 904 of Regulation S, if available, and in compliance with applicable local securities laws and regulations, (C) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144, if available, and in compliance with applicable state securities laws, (D) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144A, if

available, and in compliance with applicable state securities laws, or (E) with the prior written consent of the Corporation pursuant to another exemption from registration under the U.S. Securities Act and applicable U.S. state securities laws after first providing to the Corporation and the Warrant Agent (1) in the case of a transfer pursuant to clause B, a declaration in the form of Schedule "C" attached hereto together with such additional documentation as the Corporation and the Warrant Agent may reasonably prescribe, and (2) in the case of a transfer pursuant to clause C or clause E, an opinion of U.S. counsel of recognized standing in form and substance satisfactory to the Corporation and the Warrant Agent that the offer, sale, pledge or other transfer does not require registration under the U.S. Securities Act or applicable state securities laws, or after first providing to the Corporation and the Warrant Agent such other evidence of compliance with applicable securities laws as the Corporation or the Warrant Agent may reasonably request. Warrants, other than Initial Warrants, issued to, or for the account or benefit of, a U.S. Warrantholder, as well as any Shares issued to, or for the account or benefit of, a U.S. Warrantholder upon exercise of Warrants (including, for avoidance of doubt, Initial Warrants) must be issued only in individually certificated form, subject to the requirements of Section 3.3(3).

(3) Subject to the provisions of this Indenture and Applicable Law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Shares by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

Section 2.13 Cancellation of Surrendered Warrants.

All Certificated Warrants and Uncertificated Warrants surrendered pursuant to Section 2.10, Section 2.11, Section 2.12, Article 3 or Section 5.1 shall be cancelled by the Warrant Agent and upon such circumstances all such Warrants shall be deemed cancelled and so noted on the register by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a cancellation certificate identifying the Warrants so cancelled, the number of Warrants evidenced thereby, the number of Shares, if any, issued pursuant to such Warrants, as applicable, and the details of any Warrants issued in substitution or exchange for such Warrants cancelled.

ARTICLE 3
EXERCISE OF WARRANTS

Section 3.1 Right of Exercise.

Subject to the provisions hereof, each Registered Warrantholder may exercise the right conferred on such holder to subscribe for and purchase, subject to adjustment, one (1) Share at the Exercise Price for each Warrant after the Issue Date and prior to the Expiry Time and in accordance with the conditions herein; provided however, that any such exercise of Initial Warrants, or of Warrants represented by a Warrant Certificate bearing the legend set

forth in Section 2.8(1), must be permitted under the U.S. Securities Act and applicable U.S. state securities laws in accordance with the conditions set forth in Section 3.2(2).

Section 3.2 Warrant Exercise.

(1) Registered Warrantholders of Certificated Warrants who wish to exercise the Warrants held by them in order to acquire Shares must, if permitted pursuant to the terms and conditions hereunder and as set forth in any applicable legend, complete the exercise form (the "**Exercise Notice**") in the form attached hereto as Schedule "B", which may be amended by the Corporation with the consent of the Warrant Agent, if such amendment does not, in the reasonable opinion of the Corporation and the Warrant Agent, which may be based on the advice of Counsel, materially and adversely affect the rights, entitlements and interests of the Warrantholders, and deliver such certificate(s), the executed Exercise Notice and a certified cheque, bank draft, money order payable to or to the order of the Corporation or wire transfer for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency prior to the Expiry Time. The Warrants represented by a Warrant Certificate shall be deemed to be surrendered upon personal delivery of such certificate, Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(2) In addition to completing the Exercise Notice attached to the Warrant Certificate(s), a Warrantholder who is a person in the United States, a U.S. Person, a person exercising for the account or benefit of a U.S. Person or a person in the United States, or person requesting delivery of the Shares issuable upon exercise of the Warrants in the United States (including, for avoidance of doubt, a holder of Initial Warrants) must (a) provide a completed and executed U.S. Purchaser Letter or (b) an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent that the exercise is exempt from the registration requirements of applicable securities laws of any state of the United States and the U.S. Securities Act.

(3) A Registered Warrantholder of Uncertificated Warrants evidenced by a security entitlement in respect of Warrants must complete the Exercise Notice and deliver the executed Exercise Notice and a certified cheque, bank draft, money order payable to or to the order of the Corporation or wire transfer for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency prior to the Expiry Time. The Uncertificated Warrants shall be deemed to be surrendered upon receipt of the Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(4) A Registered Warrantholder may request their Warrants be held electronically through a book based registration system, including CDSX. A beneficial owner of Uncertificated Warrants evidenced by a security entitlement in respect of Warrants in the book entry registration system who desires to exercise his or her Warrants must

do so by causing a Book Entry Participant to deliver to the Depository on behalf of the beneficial owner, notice of the beneficial owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a "**Confirmation**") in a manner acceptable to the Warrant Agent, including by electronic means through the book entry registration system, including CDSX. An electronic exercise of the Warrants initiated by the Book Entry Participant through a book entry registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants: (a) is not in the United States, (ii) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States, and (b) did not execute or deliver the notice of the beneficial owner's intention to exercise such Warrants in the United States. If the Book Entry Participant is not able to make or deliver the foregoing representations by initiating the electronic exercise of the Warrants, then such Warrants shall be withdrawn from the book entry registration system, including CDSX, by the Book Entry Participant and an individually registered Warrant Certificate shall be issued by the Warrant Agent to such beneficial owner of the Uncertificated Warrants or Book Entry Participant and the exercise procedures set forth in Section 3.2(1) and Section 3.2(2) shall be followed. For the avoidance of doubt, any Initial Warrants tendered for exercise must be in the form of Certificated Warrants.

(5) Payment representing the aggregate Exercise Price must be provided to the appropriate office of the Book Entry Participant in a manner acceptable to it. A notice in form acceptable to the Book Entry Participant and payment from such beneficial holder should be provided to the Book Entry Participant sufficiently in advance so as to permit the Book Entry Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to the Expiry Time. The Depository will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent and the Warrant Agent will execute the exercise by issuing to the Depository through the book entry registration system the Shares to which the exercising Warrantholder is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Entry Participant exercising the Warrants on its behalf.

(6) By causing a Book Entry Participant to deliver notice to the Depository, a beneficial owner shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Book Entry Participant to act as his or her exclusive settlement agent with respect to the exercise and the receipt of Shares in connection with the obligations arising from such exercise.

(7) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Entry Participant to exercise or to give effect to the

settlement thereof in accordance with the beneficial owner's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Book Entry Participant or the beneficial owner.

(8) The Exercise Notice referred to in this Section 3.2 shall be signed by the Registered Warrantholder, or its executors or administrators or other legal representatives or an attorney of the Registered Warrantholder, duly appointed by an instrument in writing satisfactory to the Warrant Agent but such Exercise Notice need not be executed by the Depository.

(9) Any exercise referred to in this Section 3.2 shall require that the entire Exercise Price for Shares subscribed must be paid at the time of subscription and such Exercise Price and original Exercise Notice executed by the Registered Warrantholder or the Confirmation from the Depository must be received by the Warrant Agent prior to the Expiry Time.

(10) Notwithstanding the foregoing in this Section 3.2, Warrants may only be exercised pursuant to this Section 3.2 by or on behalf of a Registered Warrantholder (excluding the Depository) who is permitted to and makes one of the certifications set forth on the Exercise Notice and delivers, if applicable, any opinion or other evidence as required by the Corporation.

(11) If the form of Exercise Notice set forth in the Warrant Certificate shall have been amended, the Corporation shall cause the amended Exercise Notice to be forwarded to all Registered Warrantholders.

(12) Exercise Notices and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent's actual business hours on any Business Day prior to the Expiry Time. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day.

(13) Any Warrant with respect to which a Confirmation or Exercise Notice is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

Section 3.3 U.S. Restrictions; Legended Certificates

(1) Subject to Section 3.3(2) below, (i) Warrants may not be exercised within the United States, or by or on behalf of any U.S. Person or any person in the United States; and (ii) no Shares issued upon exercise of Warrants may be delivered to any address in the United States.

(2) Notwithstanding Section 3.3(1), Warrants which bear the legend set forth in Section 2.8(1) and Initial Warrants may be exercised in the United States, or for the account or benefit of a U.S. Person or a person in the United States, and Shares issued

upon exercise of any such Warrants or Initial Warrants, as the case may be, may be delivered to an address in the United States, provided that (a) the Person exercising the Warrants is an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D, and (b) delivers a completed and executed U.S. Purchaser Letter, or provides a legal opinion in form and substance satisfactory to the Corporation and the Warrant Agent which confirms that the issuance of the Shares is in compliance with the U.S. Securities Act and applicable U.S. state securities laws.

(3) Shares issued to, or for the account or benefit of, a U.S. Warrantholder as indicated on the Exercise Notice duly completed and executed by such U.S. Warrantholder in the form annexed to this Warrant Indenture as Schedule "B" must be issued only in individually certificated form and shall bear the legend set forth in Section 2.8(1).

Section 3.4 Transfer Fees and Taxes.

If any of the Shares subscribed for are to be issued to a person or persons other than the Registered Warrantholder, the Registered Warrantholder shall execute the form of transfer and will comply with such reasonable requirements as the Warrant Agent may stipulate and will pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation will not be required to issue or deliver certificates evidencing Shares unless or until such Warrantholder shall have paid to the Corporation or the Warrant Agent on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation and the Warrant Agent that such tax has been paid or that no tax is due.

Section 3.5 Warrant Agency.

To facilitate the exchange, transfer or exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agent at the Warrant Agency, as the agency at which Warrants may be surrendered for exchange or transfer or at which Warrants may be exercised and the Warrant Agent has accepted such appointment. The Corporation may from time to time designate alternate or additional places as the Warrant Agency (subject to the Warrant Agent's prior approval) and will give notice to the Warrant Agent of any proposed change of the Warrant Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. The Warrant Agent will from time to time when requested to do so by the Corporation or any Registered Warrantholder, subject to Section 2.9(1), upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Registered Warrantholders showing the number of Warrants held by each such Registered Warrantholder.

Section 3.6 Effect of Exercise of Warrants.

(1) Upon the exercise of Warrants pursuant to and in compliance with Section 3.2 and subject to Section 3.3 and Section 3.4, the Shares to be issued pursuant to the Warrants exercised shall be issued or deemed to have been issued and the person or persons to whom such Shares are to be issued shall become or be deemed to have

become the holder or holders of record of such Shares within three Business Days of the Exercise Date unless the register shall be closed on such date, in which case the Shares subscribed for shall be issued or deemed to have been issued and such person or persons become or be deemed to have become the holder or holders of record of such Shares, on the date on which such register is reopened. It is hereby understood that in order for persons to whom Shares are to be issued to become holders of Shares of record on the Exercise Date, beneficial holders must commence the exercise process sufficiently in advance so that the Warrant Agent is in receipt of all items of exercise at least one Business Day prior to such Exercise Date.

(2) Within three Business Days after the Exercise Date with respect to a Warrant, the Warrant Agent shall use commercially reasonable efforts to cause to be delivered or mailed to the person or persons in whose name or names the Warrant is registered or, as directed on the Exercise Form if so specified in writing by the holder, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates or other electronic evidence of security for the appropriate number of Shares subscribed for, or any other appropriate evidence of the issuance of Shares to such person or persons in respect of Shares issued under the book entry registration system.

Section 3.7 Partial Exercise of Warrants; Fractions.

(1) The holder of any Warrants may exercise its right to acquire a number of whole Shares less than the aggregate number which the holder is entitled to acquire. In the event of any exercise of a number of Warrants less than the number which the holder is entitled to exercise, the holder of Warrants upon such exercise shall, in addition, be entitled to receive, without charge therefor, a new Warrant Certificate(s), bearing the same legend, if applicable, or other appropriate evidence of Warrants, in respect of the balance of the Warrants held by such holder and which were not then exercised.

(2) Notwithstanding anything herein contained including any adjustment provided for in Section 4.1, the Corporation shall not be required, upon the exercise of any Warrants, to issue fractions of Shares. Warrants may only be exercised in a sufficient number to acquire whole numbers of Shares. Any fractional Shares shall be rounded down to the nearest whole number and the holder of such Warrants shall not be entitled to any compensation in respect of any fractional Share which is not issued.

Section 3.8 Expiration of Warrants.

Immediately after the Expiry Time, all rights under any Warrant in respect of which the right of acquisition provided for herein shall not have been exercised shall cease and terminate and each Warrant shall be void and of no further force or effect.

Section 3.9 Accounting and Recording.

(1) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation with the bank or trust company designated by the

Corporation for that purpose), all monies received by the Warrant Agent on the subscription of Shares through the exercise of Warrants. All such monies and any securities or other instruments, from time to time received by the Warrant Agent, shall be received in trust for the benefit of, and shall be segregated and kept apart by the Warrant Agent for, the Warrantholders and the Corporation as their interests may appear

(2) The Warrant Agent shall record the particulars of Warrants exercised, which particulars shall include the names and addresses of the persons who become holders of Shares on exercise and the Exercise Date, in respect thereof. The Warrant Agent shall provide such particulars in writing to the Corporation within three Business Days of any request by the Corporation therefor.

Section 3.10 Securities Restrictions.

Notwithstanding anything herein contained, Shares will be issued upon exercise of a Warrant only in compliance with the securities laws of any applicable jurisdiction, and, without limiting the generality of the foregoing, in respect of any Warrants exercised for Shares the certificates or other electronic evidence of security representing the issued Warrants or Shares, as the case may be, will bear such legends as may, in the opinion of Counsel, be necessary in order to avoid a violation of applicable securities legislation of such jurisdiction or to comply with the requirements of any stock exchange on which the Shares are listed, provided that if, at any time, in the opinion of Counsel, acting reasonably, such legends are no longer necessary in order to avoid a violation of any such provisions or laws, or the holder of any such legended certificate, at the holder's expense, provides the Corporation and the Warrant Agent with evidence satisfactory in form and substance to the Corporation and the Warrant Agent (which may include an opinion of counsel satisfactory to the Corporation and the Warrant Agent) to the effect that such holder is entitled to sell or otherwise transfer such Warrants or Shares, as the case may be, in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Warrant Agent in exchange for a certificate which does not bear such legend.

ARTICLE 4
ADJUSTMENT OF NUMBER OF SHARES AND EXERCISE PRICE

Section 4.1 Adjustment of Number of Shares and Exercise Price.

The subscription rights in effect under the Warrants for Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

(a) if, at any time during the Adjustment Period, the Corporation shall:

(i) subdivide, re-divide or change its outstanding Shares into a greater number of Shares;

(ii) reduce, combine or consolidate its outstanding Shares into a lesser number of Shares; or

(iii) issue Shares or securities exchangeable for, or convertible into, Shares to all or substantially all of the holders of Shares by way of stock dividend or other distribution (other than a distribution of Shares upon the exercise of Warrants or any outstanding options);

(any of such events in Section 4.1(a) (i), (ii) or (iii) being called a "**Common Share Reorganization**") then the Exercise Price shall be adjusted as of the effect on the effective date or record date of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Shares outstanding on such effective date or record date before giving effect to such Share Reorganization and the denominator of which shall be the number of Shares outstanding as of the effective date or record date after giving effect to such Share Reorganization (including, in the case where securities exchangeable for or convertible into Shares are distributed, the number of Share that would have been outstanding had such securities been exchanged for or converted into Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Exercise Price pursuant to Section 4.1(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(b) if and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Shares (or securities convertible or exchangeable into Shares) at a price per Share (or having a conversion or exchange price per Share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Shares outstanding on such record date plus a number of Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Shares outstanding on such record date plus the total number of additional Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered

are convertible or exchangeable; any Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Shares (or securities convertible or exchangeable into Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;

(c) if and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Shares), (ii) rights, options or warrants to subscribe for or purchase Shares (or other securities convertible into or exchangeable for Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any property or other assets then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, and subject to Exchange approval, of the fair market value on such record date, as determined by the Corporation (subject to the approval of any stock exchange on which the Shares are listed for trading), of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Shares, and of which the denominator shall be the total number of Shares outstanding on such record date multiplied by the Current Market Price; and Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant

to this Section 4.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(d) if and whenever at any time during the Adjustment Period, there is a reclassification of the Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a) or a reclassification, change, capital reorganization, consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a transfer, sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Registered Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, change, capital reorganization, consolidation, amalgamation, arrangement or merger, transfer, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Shares that prior to such effective date the Registered Warrantholder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such reclassification, change, capital reorganization, consolidation, amalgamation, arrangement or merger, or to which such transfer, sale or conveyance may be made, as the case may be, that such Registered Warrantholder would have been entitled to receive on such reclassification, change, capital reorganization, consolidation, amalgamation, arrangement or merger, transfer, sale or conveyance, if, on the effective date thereof, as the case may be, the Registered Warrantholder had been the registered holder of the number of Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Warrant Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, transfer, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Registered Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be possible, with respect to any shares, other securities or property to which a Registered Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any

indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, changes, capital reorganizations, consolidations, amalgamations, arrangements or mergers;

(e) in any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Registered Warrantholder of any Warrant exercised after the record date and prior to completion of such event the additional Shares issuable upon such exercise by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Registered Warrantholder an appropriate instrument evidencing such Registered Warrantholder's right to receive such additional Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Shares declared in favour of holders of record of Shares on and after the relevant date of exercise or such later date as such Registered Warrantholder would, but for the provisions of this Section 4.1(e), have become the holder of record of such additional Shares pursuant to Section 4.1;

(f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Registered Warrantholders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;

(g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect; provided, however, that any adjustments which by reason of this Section 4.1(g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and

(h) after any adjustment pursuant to this Section 4.1, the term "**Shares**" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Registered Warrantholder is entitled to receive upon the exercise of its Warrant, and the number of Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Shares or other property or securities a Registered Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.

Section 4.2 Entitlement to Shares on Exercise of Warrant.

All Shares or shares of any class or other securities, which a Registered Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Shares which such Registered Warrantholder is entitled to acquire pursuant to such Warrant.

Section 4.3 No Adjustment for Certain Transactions.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Shares is being made pursuant to this Indenture or in connection with (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation, which plan has been approved by the board of directors of the Corporation; or (b) the satisfaction of existing instruments issued at the date hereof.

Section 4.4 Determination by Independent Firm.

In the event of any question arising with respect to the adjustments provided for in this Article 4 such question shall be conclusively determined by an independent firm of chartered accountants other than the Auditors, who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all holders and all other persons interested therein.

Section 4.5 Proceedings Prior to any Action Requiring Adjustment.

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

Section 4.6 Certificate of Adjustment.

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.1, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate may be supported by a certificate of the Corporation's Auditors verifying such calculation if requested by the Warrant Agent at their discretion. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's Auditor and any other document filed by the Corporation pursuant to this Article 4 for all purposes.

Section 4.7 Notice of Special Matters.

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Registered Warrantholders of its intention to fix a record date that is prior to the Expiry Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the Registered Warrantholders of such adjustment computation.

Section 4.8 No Action after Notice.

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the Registered Warrantholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 4.6 and Section 4.7.

Section 4.9 Other Action.

If the Corporation, after the date hereof, shall take any action affecting the Shares other than action described in Section 4.1, which in the reasonable opinion of the Directors would materially affect the rights of Registered Warrantholders, the Exercise Price and/or Exchange Rate, the number of Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the Directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Registered Warrantholders in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Shares are listed for trading has been obtained.

Section 4.10 Protection of Warrant Agent.

The Warrant Agent shall not:

(a) at any time be under any duty or responsibility to any Registered Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) be accountable with respect to the validity or value (or the kind or amount) of any Shares or of any other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant;

(c) be responsible for any failure of the Corporation to issue, transfer or deliver Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and

(d) incur any liability or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agent or servants of the Corporation.

Section 4.11 Participation by Warrantholder.

No adjustments shall be made pursuant to this Article 4 if the Registered Warrantholders are entitled to participate in any event described in this Article 4 on the same terms, mutatis mutandis, as if the Registered Warrantholders had exercised their Warrants prior to, or on the Effective Date or record date of, such event.

ARTICLE 5
RIGHTS OF THE CORPORATION AND COVENANTS

Section 5.1 Optional Purchases by the Corporation.

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, if any, the Corporation may from time to time purchase by private contract or otherwise any of the Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the Directors, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of Certificated Warrants, Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent and reflected accordingly on the register of Warrants. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of Warrants and, if applicable, in accordance with procedures prescribed by

the Depository under the book entry registration system or the procedures of the Warrant Agent for its DRS. No Warrants shall be issued in replacement thereof.

Section 5.2 General Covenants.

The Corporation covenants with the Warrant Agent that so long as any Warrants remain outstanding:

(a) it will reserve and keep available a sufficient number of Shares for the purpose of enabling it to satisfy its obligations to issue Shares upon the exercise of the Warrants;

(b) it will cause the Shares from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrants and the terms hereof;

(c) upon payment of the aggregate Exercise Price therefor, all Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable, free and clear of all encumbrances;

(d) it will use reasonable commercial efforts to maintain its existence and carry on its business and that of its subsidiaries in the ordinary course;

(e) it will use reasonable commercial efforts to ensure that all Shares outstanding or issuable from time to time (including without limitation the Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the Exchange (or such other Canadian stock exchange acceptable to the Corporation), provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Shares ceasing to be listed and posted for trading on the Exchange, so long as the holders of Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, or the holders of the Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the Exchange;

(f) generally, it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture;

(g) it will use commercially reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the securities laws in each of the provinces of Canada in which it is a reporting issuer;

(h) it will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than five days following its occurrence; and

(i) it will make all requisite filings under applicable Canadian and United States securities legislation in connection with the issue of the Warrants and the Shares.

Section 5.3 Warrant Agent's Remuneration and Expenses.

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of its duties hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Warrant Agent's gross negligence, wilful misconduct, bad faith or fraud. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

Section 5.4 Performance of Covenants by Warrant Agent.

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Corporation must promptly notify the Warrant Agent of such failure, and the Warrant Agent may notify the Registered Warrantholders of such failure on the part of the Corporation and/or may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform said covenants or to notify the Registered Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

Section 5.5 Enforceability of Warrants.

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

ARTICLE 6
ENFORCEMENT

Section 6.1 Suits by Registered Warrantholders.

All or any of the rights conferred upon any Registered Warrantholder by any of the terms of this Indenture may be enforced by the Registered Warrantholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Registered Warrantholders.

Section 6.2 Suits by the Corporation.

The Corporation shall have the right to enforce full payment of the Exercise Price of all Shares issued by the Warrant Agent to a Registered Warrantholder hereunder and shall be entitled to demand such payment from the Registered Warrantholder or alternatively to instruct the Warrant Agent to cancel the share certificates or other electronic evidence of security representing such Shares and amend the securities register of the Corporation accordingly.

Section 6.3 Immunity of Shareholders, etc.

Subject to any rights or remedies available to the Warrant Agent and the Warrantholders under Applicable Law or otherwise, the Warrant Agent and the Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, director, trustee, employee or agent of the Corporation or any successor entity on any covenant, agreement, representation or warranty by the Corporation herein or in the Warrant Certificates.

Section 6.4 Waiver of Default.

Upon the happening of any default hereunder:

(a) the Registered Warrantholders of not less than 51% of the Warrants then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, on the advice of Counsel, if, in the Warrant Agent's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Registered Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power

or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Registered Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

ARTICLE 7
MEETINGS OF REGISTERED WARRANTHOLDERS

Section 7.1 Right to Convene Meetings.

The Warrant Agent may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Registered Warrantholders signing such Warrantholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Registered Warrantholders. If the Warrant Agent fails to so call a meeting within seven days after receipt of such written request of the Corporation or within 30 days after receipt of such Warrantholders' Request and the indemnity and funding given as aforesaid, the Corporation or such Registered Warrantholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver, British Columbia, or at such other place as may be approved or determined by the Warrant Agent and the Corporation.

Section 7.2 Notice.

At least 21 days' prior written notice of any meeting of Registered Warrantholders shall be given to the Registered Warrantholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Registered Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Section 7.2.

Section 7.3 Chairman.

An individual (who need not be a Registered Warrantholder) designated in writing by the Warrant Agent shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within fifteen minutes from the time fixed for the holding of the meeting, the Registered Warrantholders present in person or by proxy shall choose an individual present to be chairman.

Section 7.4 Quorum.

Subject to the provisions of Section 7.11, at any meeting of the Registered Warrantholders a quorum shall consist of Registered Warrantholder(s) present in person or

by proxy and entitled to purchase at least 25% of the aggregate number of Shares which could be acquired pursuant to all the then outstanding Warrants. If a quorum of the Registered Warrantholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by Registered Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not be entitled to acquire at least 25% of the aggregate number of Shares which may be acquired pursuant to all then outstanding Warrants.

Section 7.5 Power to Adjourn.

The chairman of any meeting at which a quorum of the Registered Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

Section 7.6 Show of Hands.

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

Section 7.7 Poll and Voting.

(1) On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Registered Warrantholders acting in person or by proxy and entitled to acquire in the aggregate at least 2% of the aggregate number of Shares which could be acquired pursuant to all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll.

(2) On a show of hands, every person who is present and entitled to vote, whether as a Registered Warrantholder or as proxy for one or more absent Registered Warrantholders, or both, shall have one vote. On a poll, each Registered Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held

or represented by it. A proxy need not be a Registered Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

Section 7.8 Regulations.

(1) The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for the setting of the record date for a meeting for the purpose of determining Registered Warrantholders entitled to receive notice of and to vote at the meeting.

(2) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Registered Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Registered Warrantholders or proxies of Registered Warrantholders.

Section 7.9 Corporation and Warrant Agent May be Represented.

The Corporation and the Warrant Agent, by their respective directors, officers, agent, and employees and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Registered Warrantholders.

Section 7.10 Powers Exercisable by Extraordinary Resolution.

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Registered Warrantholders at a meeting shall, subject to the provisions of Section 7.11, have the power exercisable from time to time by Extraordinary Resolution:

(a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Registered Warrantholders or the Warrant Agent in its capacity as warrant agent hereunder (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the Registered Warrantholders against the Corporation whether such rights arise under this Indenture or otherwise;

(b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Registered Warrantholders;

(c) to direct or to authorize the Warrant Agent, subject to Section 9.2(2), to enforce any of the covenants on the part of the Corporation contained in this Indenture or to enforce any of the rights of the Registered Warrantholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;

(d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture either unconditionally or upon any conditions specified in such Extraordinary Resolution;

(e) to restrain any Registered Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or to enforce any of the rights of the Registered Warrantholders;

(f) to direct any Registered Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Registered Warrantholder in connection therewith;

(g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

(h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant Agent to take the place of the Warrant Agent so removed; and

(i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

Section 7.11 Meaning of Extraordinary Resolution.

(1) The expression "**Extraordinary Resolution**" when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution proposed at a meeting of Registered Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Registered Warrantholders holding at least 25% of the aggregate number of Shares that could be acquired on exercise of the Warrants and passed by the affirmative votes of Registered Warrantholders holding not less than 66 2/3% of the aggregate number of Shares that could be acquired on exercise of the Warrants at the meeting and voted on the poll upon such resolution.

(2) If, at the meeting at which an Extraordinary Resolution is to be considered, Registered Warrantholders holding at least 25% of the aggregate number of Shares that could be acquired are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Registered Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days

later, and to such place and time as may be appointed by the chairman. Not less than 14 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11(1) shall be an Extraordinary Resolution within the meaning of this Indenture notwithstanding that Registered Warrantholders entitled to acquire at least 25% of the aggregate number of Shares which may be acquired pursuant to all the then outstanding Warrants are not present in person or by proxy at such adjourned meeting.

(3) Subject to Section 7.14, votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

Section 7.12 Powers Cumulative.

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Registered Warrantholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Registered Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

Section 7.13 Minutes.

Minutes of all resolutions and proceedings at every meeting of Registered Warrantholders shall be made and duly recorded in the books of the Corporation and such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

Section 7.14 Instruments in Writing.

All actions which may be taken and all powers that may be exercised by the Registered Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Registered Warrantholders holding not less than 66 2/3% of the aggregate number of all of the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Registered Warrantholders in person or by attorney duly appointed in writing, and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

Section 7.15 Binding Effect of Resolutions.

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Registered Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Registered Warrantholders in accordance with Section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

Section 7.16 Holdings by Corporation Disregarded.

In determining whether Registered Warrantholders holding Warrants evidencing the entitlement to acquire the required number of Shares are present at a meeting of Registered Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation shall be disregarded in accordance with the provisions of Section 10.8.

ARTICLE 8
SUPPLEMENTAL INDENTURES

Section 8.1 Provision for Supplemental Indentures for Certain Purposes.

From time to time, the Corporation (when authorized by action of the Directors) and the Warrant Agent may, subject to the provisions hereof, and subject to compliance with applicable securities law and the approval of any applicable regulatory authorities and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) setting forth any adjustments resulting from the application of the provisions of Article 4;

(b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Registered Warrantholders;

(c) giving effect to any Extraordinary Resolution passed as provided in Section 7.11;

(d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the

Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Registered Warrantholders;

(e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;

(f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Registered Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;

(g) providing for the issuance of additional Warrants hereunder, including Warrants in excess of the number set out in Section 2.1 and any consequential amendments hereto as may be required by the Warrant Agent relying on the advice of Counsel; and

(h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent and of the Registered Warrantholders are in no way prejudiced thereby.

Section 8.2 Successor Entities.

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity ("**successor entity**"), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 9
CONCERNING THE WARRANT AGENT

Section 9.1 Trust Indenture Legislation.

(1) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Law, such mandatory requirement shall prevail.

(2) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Law.

Section 9.2 Rights and Duties of Warrant Agent.

(1) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own gross negligent action, wilful misconduct, bad faith or fraud under this Indenture.

(2) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Registered Warrantholders hereunder shall be conditional upon the Registered Warrantholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

(3) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Registered Warrantholders, at whose instance it is acting to deposit with the Warrant Agent the Warrants Certificates held by them, for which Warrants the Warrant Agent shall issue receipts.

(4) Every provision of this Indenture that by its terms relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Law.

Section 9.3 Evidence, Experts and Advisers.

(1) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional

evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Law or as the Warrant Agent may reasonably require by written notice to the Corporation.

(2) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Law and that the Warrant Agent complies with Applicable Law and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.

(3) Whenever it is provided in this Indenture or under Applicable Law that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.

(4) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.

(5) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

Section 9.4 Documents, Monies, etc. Held by Warrant Agent.

Until released in accordance with this Indenture, any funds received hereunder shall be kept in segregated records of the Warrant Agent and the Warrant Agent shall place the funds in segregated trust accounts of the Warrant Agent at one or more of the Canadian Chartered Banks listed in Schedule 1 of the *Bank Act* (Canada) ("**Approved Bank**"). All amounts held by the Warrant Agent pursuant to this Agreement shall be held by the Warrant Agent for the Corporation and the delivery of the funds to the Warrant Agent shall not give rise to a debtor-creditor or other similar relationship. The amounts held by the Warrant Agent pursuant to this Agreement are at the sole risk of the Corporation and, without limiting the generality of the foregoing, the Warrant Agent shall have no responsibility or liability for any diminution of the funds which may result from any deposit made with an Approved

Bank pursuant to this section, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default). The parties hereto acknowledge and agree that the Warrant Agent will have acted prudently in depositing the funds at any Approved Bank, and that the Warrant Agent is not required to make any further inquiries in respect of any such bank. The Warrant Agent may hold cash balances constituting part or all of such monies and need not, invest the same. The Warrant Agent shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

Section 9.5 Actions by Warrant Agent to Protect Interest.

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Registered Warrantholders.

Section 9.6 Warrant Agent Not Required to Give Security.

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

Section 9.7 Protection of Warrant Agent.

By way of supplement to the provisions of any law for the time being relating to the Warrant Agent it is expressly declared and agreed as follows:

(a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in Section 9.9 or in the Authentication of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

(b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;

(c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof;

(d) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;

(e) the Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the "Indemnified Parties") from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits,

proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that Warrant Agent may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that the Corporation shall not be required to indemnify the Indemnified Parties in the event of the gross negligence, wilful misconduct, bad faith or fraud of the Warrant Agent, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture; and

(f) notwithstanding the foregoing or any other provision of this Indenture, any liability of the Warrant Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

Section 9.8 Replacement of Warrant Agent; Successor by Merger.

(1) The Warrant Agent may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 60 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Registered Warrantholders by Extraordinary Resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new warrant agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Registered Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent or any Registered Warrantholder may apply to a judge of the Province of British Columbia on such notice as such judge may direct, for the appointment of a new warrant agent; but any new warrant agent so appointed by the Corporation or by the Court shall be subject to

removal as aforesaid by the Registered Warrantholders. Any new warrant agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of British Columbia and, if required by the Applicable Law for any other provinces, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.

(2) Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Registered Warrantholders thereof in the manner provided for in Section 10.2.

(3) Any Warrant Certificates Authenticated but not delivered by a predecessor Warrant Agent may be Authenticated by the successor Warrant Agent in the name of the successor Warrant Agent.

(4) Any corporation into which the Warrant Agent may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to substantially the corporate trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as successor Warrant Agent under Section 9.8(1).

Section 9.9 Acceptance of Agency

The Warrant Agent hereby accepts the agency in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

Section 9.10 Warrant Agent Not to be Appointed Receiver.

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

Section 9.11 Warrant Agent Not Required to Give Notice of Default.

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

Section 9.12 Anti-Money Laundering.

(1) Each party to this Agreement other than the Warrant Agent hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by the Warrant Agent in connection with this Agreement, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.

(2) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the other parties to this Agreement, provided (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

Section 9.13 Compliance with Privacy Code.

The parties acknowledge that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Indenture and other services that may be requested from time to time;

(b) to help the Warrant Agent manage its servicing relationships with such individuals;

(c) to meet the Warrant Agent's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Warrant Agent shall make available on its website, www.odysseytrust.com, or upon request, including revisions thereto. The Warrant Agent

may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

Section 9.14 Securities and Exchange Commission Certification.

The Corporation confirms that as at the date of execution of this Agreement it does not have a class of securities registered pursuant to Section 12 of the U.S. Exchange Act or have a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act.

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Exchange Act or Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the U.S. Exchange Act, the Corporation shall promptly deliver to the Warrant Agent an officer's certificate (in a form provided by the Warrant Agent) notifying the Warrant Agent of such registration or termination and such other information as the Warrant Agent may require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain obligations under the U.S. Exchange Act with respect to those clients who are filing with the SEC.

ARTICLE 10
GENERAL

Section 10.1 Notice to the Corporation and the Warrant Agent.

(1) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered, sent by email, registered letter or postage prepaid:

(a) If to the Corporation:

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

Attention: Brandon Kou, Chief Executive Officer

Email: [·]

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

McMillan LLP
1500, 1055 West Georgia Street

Vancouver, British Columbia, V6E 4N7
PO Box 11117

Attention: Desmond Balakrishnan

Email: desmond.balakrishnan@mcmillan.ca

(b) If to the Warrant Agent:

Odyssey Trust Company
United Kingdom Building
350 – 409 Granville Street
Vancouver, British Columbia
V6C 1T2

Attention: Corporate Trust

Email: corptrust@odysseytrust.com

and any such notice delivered in accordance with the foregoing shall be deemed to have been received and given on the date of delivery or, if mailed, on the fifth Business Day following the date of mailing such notice or, if faxed or transmitted by other electronic means, on the next Business Day following the date of transmission.

(2) The Corporation or the Warrant Agent, as the case may be, may from time to time notify the other in the manner provided in Section 10.1(1) of a change of address which, from the Effective Date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

(3) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed, as provided in Section 10.1(1), or given by facsimile, e-mail, or other means of prepaid, transmitted and recorded communication.

Section 10.2 Notice to Registered Warrantholders.

(1) Unless otherwise provided herein, notice to the Registered Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Warrants are held in the name of the Depository, a copy of such notice shall also be sent by

electronic communication to the Depository and shall be deemed received and given on the day it is so sent.

(2) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Registered Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to such Registered Warrantholders to the address for such Registered Warrantholders contained in the register maintained by the Warrant Agent or such notice may be given, at the Corporation's expense, by means of publication in the Globe and Mail, National Edition, or any other English language daily newspaper or newspapers of general circulation in Canada, in each two successive weeks, the first such notice to be published within 5 business days of such event, and any such notice published shall be deemed to have been received and given on the latest date the publication takes place.

(3) Accidental error or omission in giving notice or accidental failure to mail notice to any Warrantholder will not invalidate any action or proceeding founded thereon.

Section 10.3 Ownership of Warrants.

The Corporation and the Warrant Agent may deem and treat the Registered Warrantholders as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Registered Warrantholder of the Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

Section 10.4 Counterparts.

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof. Delivery of an executed copy of the Indenture by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

Section 10.5 Currency

In this Indenture, all references to "$" or any monetary amount are to Canadian dollars, unless otherwise noted.

Section 10.6 Satisfaction and Discharge of Indenture.

Upon the earlier of:

(a) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore Authenticated hereunder, in the case of Certificated Warrants (or such other instructions, in a form satisfactory to the Warrant Agent), in the case of Uncertificated Warrants, or by way of standard processing through the book entry system in the case of a CDS Global Warrant; and

(b) the Expiry Time;

and if all certificates or other entry on the register representing Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture shall cease to be of further effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

Section 10.7 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Registered Warrantholders.

Nothing in this Indenture or in the Warrants, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Registered Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Registered Warrantholders.

Section 10.8 Shares or Warrants Owned by the Corporation or its Subsidiaries - Certificate to be Provided.

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

(a) the names (other than the name of the Corporation) of the Registered Warrantholders which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation; and

(b) the number of Warrants owned legally or beneficially by the Corporation;

and the Warrant Agent, in making the computations in Section 7.16, shall be entitled to rely on such certificate without any additional evidence.

Section 10.9 Severability

If, in any jurisdiction, any provision of this Indenture or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Indenture and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

Section 10.10 Force Majeure

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

Section 10.11 Assignment, Successors and Assigns

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in Section 9.8 in the case of the Warrant Agent, or as provided in Section 8.2 in the case of the Corporation. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Section 10.12 Rights of Rescission and Withdrawal for Holders

Should a holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the Exercise Price paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the holder. In such cases, the holder shall seek a refund directly from the Corporation and subsequently, the Corporation, upon surrender to the Corporation or the Warrant Agent of any underlying Shares or other securities that may have been issued, or such other procedure as agreed to by the parties hereto, shall instruct the Warrant Agent in writing, to cancel the exercise transaction and any such underlying Shares or other securities on the register, which may have already been issued upon the Warrant exercise. In the event that any payment is received from the Corporation by virtue of the holder being a shareholder for such Warrants that were subsequently rescinded, such payment must be returned to the Corporation by such holder. The Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce that the funds are returned pursuant to this section, nor shall the Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section. Notwithstanding the foregoing, in the event that the

Corporation provides the refund to the Warrant Agent for distribution to the holder, the Warrant Agent shall return such Exercise Price to the holder as soon as reasonably practicable, and in so doing, the Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

ICANIC BRANDS COMPANY INC.

By: _____

Name:

Title:

ODYSSEY TRUST COMPANY

By: _____

Name:

Title:

By: _____

Name:

Title:

SCHEDULE "A"

FORM OF WARRANT

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 5:00 P.M. (VANCOUVER TIME) ON [●], 2024**,** AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

For all Warrants sold outside the United States and registered in the name of the Depository, include the following legend:

(INSERT IF BEING ISSUED TO CDS) UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO ICANIC BRANDS COMPANY INC. (THE "**ISSUER**") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

For Warrants, other than Initial Warrants, issued to U.S. Warrantholders, also include the following legend:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U. S. SECURITIES ACT**"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ICANIC BRANDS COMPANY INC. (THE "**CORPORATION**") THAT THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY: (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (II) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS; PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER OF THE SECURITIES HAS FURNISHED TO THE CORPORATION AN

OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION.

For Warrants, including Initial Warrants, issued to U.S. Warrantholders, also include the following legend:

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

WARRANT

To acquire Shares of

ICANIC BRANDS COMPANY INC.

(incorporated pursuant to the laws of British Columbia)

Warrant
Certificate No. [●]

Certificate for _____
Warrants, each entitling the holder to acquire one (1) Share (subject to adjustment as provided for in the Warrant Indenture (as defined below)

CUSIP: [●]

ISIN: [●]

THIS IS TO CERTIFY THAT, for value received,

_____

(the "**Warrantholder**") is the registered holder of the number of common share purchase warrants (the "**Warrants**") of Icanic Brands Company Inc. (the "**Corporation**") specified above, and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture, to purchase at any time before 5:00 p.m. (Vancouver time) (the "**Expiry Time**") on the date that is 24 months from the date that the Warrants were issued (the "**Expiry Date**"), one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a "**Share**") for each Warrant at the Exercise Price (as defined herein) subject to adjustment in accordance with the terms of the Warrant Indenture.

The right to purchase Shares may only be exercised by the Warrantholder within the time set forth above by:

(a) duly completing and executing the exercise form (the "**Exercise Form**") attached hereto; and

(b) surrendering this warrant certificate (the "**Warrant Certificate**"), with the Exercise Form to the Warrant Agent at the principal office of the Warrant Agent, in the city of Vancouver, British Columbia, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Corporation or wire transfer in an amount equal to the Exercise Price.

The surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Share upon the exercise of Warrants shall be $0.15 per Share (the "**Exercise Price**").

Certificates, or DRS statements, or other electronic evidence of security for the Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Shares not so purchased. No fractional Shares will be issued upon exercise of any Warrant.

This Warrant Certificate evidences Warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the "**Warrant Indenture**") dated as of [●] between the Corporation and Odyssey Trust Company, as Warrant Agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Corporation and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Corporation will furnish to the holder, on request and without charge, a copy of the Warrant Indenture. Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Warrant Indenture.

On presentation at the principal office of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and in compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates entitling the holder thereof to purchase in the aggregate an equal number of Shares as are purchasable under the Warrant Certificate(s) so exchanged.

Neither the Warrants nor the Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws. These Warrants may not be exercised in the United States, or by or for the account or benefit of a U.S. Person or a person in the United States, unless the Warrants and the Shares issuable upon exercise of the Warrants have been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration requirements is available. Certificates representing Shares issued in the United States or to U.S. Persons will bear a legend restricting the transfer and exercise of such securities under applicable United States federal and state securities laws. "**United States**" and "**U.S. Person**" are as defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Share issuable upon the exercise of Warrants and the number of Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions binding all holders of Warrants outstanding thereunder, including all resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants entitled to purchase a specific majority of the Shares that can be purchased pursuant to such Warrants.

Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the Warrantholder hereof any right or interest whatsoever as a holder of Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in Vancouver, British Columbia, or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate will not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language. Les parties aux présentes déclarent qu'elles ont exigé que la présente convention, de même que tous les documents s'y rapportant, soient rédigés en anglais.

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be duly executed as of [●], 2022.

ICANIC BRANDS COMPANY INC.

By: _____
Authorized Signatory

Countersigned and Registered by:

ODYSSEY TRUST COMPANY

By: _____
Authorized Signatory

FORM OF TRANSFER

To: Odyssey Trust Company

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

_____

_____

(print name and address) the Warrants represented by this Warrant Certificate and hereby irrevocably constitutes and appoints _____ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

In the case of a Warrant Certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ (A) the transfer is being made only to the Corporation;

☐ (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in compliance with any applicable local securities laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "C" to the Warrant Indenture, or

☐ (C) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent to such effect.

Warrants shall only be transferable in accordance with the Warrant Indenture and all Applicable Laws. Without limiting the foregoing, if the Warrant Certificate bears a legend restricting the transfer of the Warrants except pursuant to an exemption from registration under the U.S. Securities Act, this Form of Transfer must be accompanied by a Form of Declaration for Removal of Legend in the form attached as Schedule "C" to the Warrant Indenture (or such other form as the Corporation may prescribe from time to time), or a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and to the Warrant Agent to the effect that the transfer is exempt from registration under the U.S. Securities Act and applicable state securities laws.

In the case of a Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of, a U.S. Person or a person in the United States, the undersigned transferor hereby represents, warrants and certifies that (one (only) of the following must be checked):

(a) ☐ the Warrants are Initial Warrants (as defined in the Warrant Indenture), acquired by the undersigned transferor upon conversion of an 11.0% secured convertible

debenture (the "**Debenture**") of the Corporation, and at that time of such conversion, the undersigned certified to the Corporation that (i) the undersigned was not solicited to convert the Debenture by any person, or if the undersigned was solicited to convert the Debenture, the undersigned had confirmed that no commission or remuneration has been or will be paid or given, directly or indirectly, for soliciting such conversion, and (ii) the undersigned was acknowledging that the Corporation was relying on the registration exemption provided by section 3(a)(9) of U.S. Securities Act, to issue the Warrants; or

(b) ☐ the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned transferor has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect.

THE UNDERSIGNED TRANSFEROR HEREBY CERTIFIES AND DECLARES that, unless one of the foregoing boxes is checked, the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a "**U.S. Person**" or a person within the "**United States**" (as such terms are defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

In the event this transfer of the Warrants represented by this Warrant Certificate is to a U.S. Warrantholder, or to or for the account or benefit of a U.S. Person or a person in the United States, the Transferor acknowledges and agrees that the Warrant Certificate(s) representing such Warrants issued in the name of the transferee may be endorsed with the U.S. legend required by Section 2.8(1) of the Indenture.

DATED this ____ day of_____, 20____.

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)	_____
	Signature of Transferor
_____	_____
Guarantor's Signature/Stamp	Name of Transferor

REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).

☐ **Gift** ☐ **Estate** ☐ **Private Sale** ☐ **Other (or no change in ownership)**

Date of Event (Date of gift, death or sale): **Value per Warrant on the date of event:**

__/__/____ $ ____.____ ☐ **CAD OR** ☐ **USD**

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.

- **Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed", sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "Signature & Authority to Sign Guarantee" Stamp affixed to the transfer (as opposed to a "Signature Guaranteed" Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution

that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a "SIGNATURE & AUTHORITY TO SIGN GUARANTEE" Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a "MEDALLION GUARANTEED" Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER – FOR US RESIDENTS ONLY

Consistent with US IRS regulations, Odyssey is required to request cost basis information from US securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE "B"

EXERCISE FORM

TO: ICANIC BRANDS COMPANY INC.

AND TO: Odyssey Trust Company, as Warrant Agent

The undersigned holder of the Warrants evidenced by this Warrant Certificate hereby exercises the right to acquire _____ (A) Shares of Icanic Brands Company Inc.

Exercise Price Payable: _____
((A) multiplied by $0.15, subject to adjustment)

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (a) is not in the United States, (b) is not a U.S. Person , (c) is not exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, (d) did not execute or deliver this exercise form in the United States, and (e) delivery of the underlying Shares will not be to an address in the United States; OR

☐ (B) if the undersigned holder is (a) a holder in the United States, (b) a U.S. Person, (c) a person exercising for the account or benefit of a U.S. Person or a person in the United States, (d) executing or delivering this exercise form in the United States or (e) requesting delivery of the underlying Shares in the United States, the undersigned holder has delivered to the Corporation and the Corporation's transfer agent (i) a completed and executed U.S. Purchaser Letter in substantially the form attached to the Warrant Indenture as Schedule "D" or (ii) an opinion of counsel (which will not be sufficient unless it is in form and substance reasonably satisfactory to the Corporation and Warrant Agent) or such other evidence reasonably satisfactory to the Corporation and Warrant Agent to the effect that with respect to the Shares to be delivered upon exercise of the Warrants, the issuance of such securities has been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and applicable state securities laws, or an exemption from such registration requirements is available.

It is understood that the Corporation and Odyssey Trust Company may require evidence to verify the foregoing representations.

Notes:

(1) Certificates will not be registered or delivered to an address in the United States unless Box B or C above is checked and the applicable requirements are complied with. If Box B is checked, the U.S. legend prescribed by Section 2.8(1) of the Indenture shall be affixed to the Shares unless the Corporation and Warrant Agent receive a satisfactory opinion of counsel of recognized standing in form and substance satisfactory to the Warrant Agent and Corporation to the effect that the U.S. legend is no longer required under the U.S. Securities Act and applicable state laws.

(2) If the Warrants have a U.S. legend affixed to them the resulting Shares will have the U.S. legend unless the Corporation and Warrant Agent receive a satisfactory opinion of counsel of recognized standing in form and substance satisfactory to the Warrant Agent and Corporation to the effect that the U.S. legend is no longer required under the U.S. Securities Act and applicable state laws.

(3) If Box B above is checked, holders are encouraged to consult with the Corporation and the Warrant Agent in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation and the Warrant Agent.

"**United States**" and "**U.S. Person**" are as defined in Rule 902 of Regulation S under the U.S. Securities Act.

The undersigned hereby irrevocably directs that the said Shares be issued, registered and delivered as follows:

Name(s) in Full and Social Insurance Number(s) (if applicable)	**Address(es)**	**Number of Shares**

Please print full name in which certificates representing the Shares are to be issued. If any Shares are to be issued to a person or persons other than the registered holder, the registered

holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to **Odyssey Trust Company, c/o General Manager, Corporate Trust**.

DATED this ____day of _____, 20__.

_____	_____
Witness	(Signature of Warrantholder, to be the same as appears on the face of this Warrant Certificate)
	_____
	Name of Registered Warrantholder

☐ Please check if the certificates representing the Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.

SCHEDULE "C"

FORM OF DECLARATION –
RULE 904 UNDER THE U.S. SECURITIES ACT OF 1933

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

To: Odyssey Trust Company as Warrant Agent and as the registrar and transfer agent for the common shares of the Corporation

The undersigned (A) acknowledges that the sale of _____ ☐ common share purchase warrants or ☐ common shares of the Corporation to which this declaration relates, represented by certificate number _____ or held in direct registration system (DRS) account number _____, 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 (a) is not an "affiliate" of the Corporation, as that term is defined in Rule 405 under the U.S. Securities Act, or is an affiliate solely by virtue of being an officer or director of the Corporation, (b) is not a "distributor" as defined in Regulation S, and (c) is not 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 believed 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, the NEO Exchange or any other "designated offshore securities market", 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 or will engage in any directed selling efforts in the United States 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 that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities 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 scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this ____day of _____, 20__.

X _____
Signature of individual (if Seller **is** an individual)

X _____
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 foregoing representations of _____ (the "**Seller**") dated _____, pursuant to which the Seller has requested that we sell, for the Seller's account, _____ common shares of the Corporation represented by certificate number _____ or held in direct registration system (DRS) account number _____ (the "**Shares**"). We have executed sales of the Shares 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 Shares was made to a person in the United States;

(2) the sale of the Shares was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange, the NEO Exchange or another "designated offshore securities market" (as defined in 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 Shares 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 Shares (including, but not be limited to, the solicitation of offers to purchase the Shares 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 Corporation 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.

_____
Name of Firm

By:

_____
Authorized Officer

Dated:

_____

SCHEDULE "D"

FORM OF U.S. PURCHASER CERTIFICATION UPON EXERCISE OF WARRANTS

ICANIC BRANDS COMPANY INC.
Attention: Chief Executive Officer

- and to -

Odyssey Trust Company.
as Warrant Agent

Dear Sirs:

The undersigned is delivering this letter in connection with the purchase of common shares (the "**Shares**") of Icanic Brands Company Inc., a corporation existing under the laws of the Province of British Columbia (the "**Corporation**") upon the exercise of warrants of the Corporation ("**Warrants**"), issued under the warrant indenture (the "**Indenture**") dated as of [●], 2022 between the Corporation and Odyssey Trust Company.

The undersigned hereby represents, warrants, covenants, acknowledges and agrees that:

(a) it is an "accredited investor" (a "**U.S. Accredited Investor**") (satisfying one or more of the criteria set forth in Rule 501(a) of Regulation D under the United States Securities Act of 1933 (the "**U.S. Securities Act**")) **and has completed the U.S. Accredited Investor Status Certificate in the form attached hereto**;

(b) it is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and (iii) in the case of the purchase by the undersigned of the Shares as agent or trustee for any other person or persons (each, a "Beneficial Owner"), the undersigned holder has due and proper authority to act as agent or trustee for and on behalf of each such Beneficial Owner in connection with the transactions contemplated hereby; provided that: (x) if the undersigned holder, or any Beneficial Owner, is a corporation or a partnership, syndicate, trust or other form of unincorporated organization, the undersigned holder or each such Beneficial Owner was not incorporated or created solely, nor is it being used primarily, to permit purchases without a prospectus or registration statement under applicable law; and (y) each Beneficial Owner, if any, is a U.S. Accredited Investor;

(c) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of its entire investment;

(d) the undersigned has not exercised the Warrants as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other

communications published in any newspaper, magazine or similar media or broadcast over radio, television, the internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(e) the funds representing the purchase price for the Shares which will be advanced by the undersigned to the Corporation will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the "**PCMLA**") or the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the Corporation may in the future be required by law to disclose the undersigned's name and other information relating to this Warrant Exercise Form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PCMLA and/or the PATRIOT Act. No portion of the purchase price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and the undersigned shall promptly notify the Corporation if the undersigned discovers that any of such representations ceases to be true and provide the Corporation with appropriate information in connection therewith;

(f) the Corporation has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering, and the undersigned has had access to such information concerning the Corporation as he or she has considered necessary or appropriate in connection with his or her investment decision to acquire the Shares;

(g) if the undersigned decides to offer, sell or otherwise transfer any of the Shares, the undersigned must not, and will not, offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:

(i) the sale is to the Corporation;

(ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

(iii) the sale is made pursuant to 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

(iv) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Corporation an opinion of counsel reasonably satisfactory to the Corporation stating that such sale, transfer assignment or

hypothecation is exempt from the registration and prospectus delivery requirements of the U.S. Securities Act and any applicable state securities laws;

(h) the Shares are "restricted securities" (as defined in Rule 144(a)(3) under the U.S. Securities Act) and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission provide in substance that the undersigned may dispose of the Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption or exclusion therefrom;

(i) the Corporation has no obligation to register any of the Shares or to take any other action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);

(j) the certificates representing the Shares as well as all certificates issued in exchange for or in substitution of therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act and applicable state securities laws, will bear, on the face of such certificate, a U.S. restrictive legend substantially in the form prescribed by Section 2.8(1) of the Indenture; provided, that if the Shares are resold outside the United States in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S is not applicable, such restrictive legend may be removed by providing an executed declaration to the registrar and transfer agent for the Shares, in the form attached as Schedule "C" to the Indenture (or such form as the Corporation may prescribe from time to time), and, if requested by the Corporation or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation 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 Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legend may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(k) the financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(l) it consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Corporation in order to implement the restrictions on transfer set forth and described in the Indenture and the accompanying Warrant Exercise Form; and

(m) it acknowledges and consents to the fact that the Corporation is collecting personal information (as that term is defined under applicable privacy legislation, including, without limitation, the Personal Information Protection and Electronic Documents Act (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time) of the undersigned for the purpose of facilitating the subscription for the Shares hereunder. The undersigned acknowledges

and consents to the Corporation retaining such personal information for as long as permitted or required by law or business practices and agrees and acknowledges that the Corporation may use and disclose such personal information: (a) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the undersigned; (b) for use and disclosure for income tax-related purposes, including without limitation, where required by law disclosure to Canada Revenue Agency; (c) disclosure to professional advisers of the Corporation in connection with the performance of their professional services; (d) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trade or similar regulatory filings; (e) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure; (f) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with your prior written consent; (g) disclosure to a court determining the rights of the parties under the Warrant; and (h) for use and disclosure as otherwise required or permitted by law.

The undersigned hereby further acknowledges that the Corporation will rely upon our confirmations, acknowledgements and agreements set forth herein, and we agree to notify the Corporation promptly in writing if any of our representations or warranties herein ceases to be accurate or complete.

DATED this ____day of _____, 20__.

_____
(Name of U.S. Purchaser)

By: _____
Name:
Title:

ANNEX "A" U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of an outstanding Warrant of **Icanic Brands Company Inc.** (the "**Corporation**") by the holder, the holder hereby represents and warrants to the Corporation that the holder, and each beneficial owner (each a "**Beneficial Owner**"), if any, on whose behalf the holder is exercising such Warrants, satisfies one or more of the following categories of U.S. Accredited Investor **(please write "W/H" for the undersigned holder, and "B/O" for each beneficial owner, if any, on each line that applies)**:

_____ Category 1. A bank, as defined in Section 3(a)(2) of the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), whether acting in its individual or fiduciary capacity; a 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; a broker or dealer registered pursuant to Section 15 of the United States *Securities Exchange Act of 1934*; an investment adviser registered pursuant to section 203 of the *Investment Advisers Act of 1940* or registered pursuant to the laws of a state; an 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 United States *Investment Advisers Act of 1940*; an insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; an investment company registered under the United States *Investment Company Act of 1940*; a business development company as defined in Section 2(a)(48) of the United States *Investment Company Act of 1940*; a small business investment company licensed by the United States Small Business Administration under Section 301 (c) or (d) of the United States *Small Business Investment Act of 1958*; a rural business investment company as defined in section 384A of the United States *Consolidated Farm and Rural Development Act*; a 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, with total assets in excess of US$5,000,000; or an employee benefit plan within the meaning of the United States *Employee Retirement Income Security Act of 1974* in which 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 an employee benefit plan with total assets in excess of US$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are U.S. Accredited Investors; or

_____ Category 2. A private business development company as defined in Section 202(a)(22) of the United States *Investment Advisers Act of 1940*; or

_____ Category 3. An organization described in Section 501(c)(3) of the United States *Internal Revenue Code*, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the Shares offered, with total assets in excess of US$5,000,000; or

_____ Category 4. A director or executive officer of the Corporation; or

_____ Category 5. A 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), at the time of that person's purchase of

Shares exceeds US$1,000,000 (**note:** for the 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 the sale and purchase of Shares contemplated hereby, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale and purchase of Shares contemplated hereby 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; (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); or

_____ Category 6. A 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; or

_____ Category 7. A trust, with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the Shares, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act; or

_____ Category 8. An entity in which all of the equity owners are U.S. Accredited Investors.

If you checked Category 8, please indicate the name and category of U.S. Accredited Investor (by reference to the applicable category number herein) of each equity owner:

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

It is permissible to look through various forms of equity ownership to natural persons in determining the U.S. Accredited Investor status of entities under this category. If those natural persons are themselves U.S. Accredited Investors, and

if all other equity owners of the entity seeking U.S. Accredited Investor status are U.S. Accredited Investors, then this category will be available.

_____ Category 9. An entity, of a type not listed in Categories 1, 2, 3, 7 or 8, not formed for the specific purpose of acquiring the Shares, 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 United States *Investment Company Act of 1940*); or

_____ Category 10. A 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 U.S. 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); or

_____ Category 11. Any "family office," as defined in rule 202(a)(11)(G)-1 under the United States *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 Shares, 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

_____ Category 12. A "family client," as defined in rule 202(a)(11)(G)-1 under the United States *Investment Advisers Act of 1940*, of a family office meeting the requirements set forth in Category 11 above and whose prospective investment in the Corporation is directed by such family office with the involvement of the Knowledgeable Family Office Administrator.

Dated: _____ Signed: _____

_____
Print the name of Exerciser

_____
Print official capacity or title, if applicable

_____
Print name of individual whose signature appears above if different than the name of the Exerciser printed above.