

KOOTENAY ZINC CORP.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF
SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR**

including with respect to a proposed

ACQUISITION

of all of the shares of

GREENY COLLABORATION GROUP (CANADA) INC. and CANNDORA DELIVERY LTD.

and including with respect to a

TAKE-OVER BID

for all of the shares and options of

LIFTED INNOVATIONS INC.

JULY 29, 2020

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KOOTENAY ZINC CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Kootenay Common Shares**”) of Kootenay Zinc Corp. (“**Kootenay**” or the “**Company**”) will be held at Farris LLP, located at 25th floor, 700 W. Georgia St., Vancouver, British Columbia, V7Y 1B3 on August 27, 2020 at 10:00 a.m. (Pacific time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended February 29, 2020 and the reports of the auditors thereon;
2. to fix the number of directors at four (4) and elect directors for the ensuing year;
3. to appoint Dale Matheson Carr-Hilton Labonte LLP as the auditors of the Company for the ensuing year and to authorize the directors of Kootenay to fix their remuneration;
4. to consider and if thought advisable, to pass, with or without variation, a special resolution (the “**Transactions Resolution**”), the full text of which is set forth in the accompanying Management Information Circular (“**Circular**”):
 - approving the consolidation of the issued and outstanding Kootenay Common Shares (the “**Consolidation**”) on the basis of up to twenty-three (23) pre-Consolidation Kootenay Common Shares for every one (1) post-Consolidation Kootenay Common Share;
 - approving the acquisition of 100% of the issued and outstanding shares of Canndora Delivery Ltd. (“**Canndora**”) by way of amalgamation with the Company’s wholly-owned subsidiary, 1251750 B.C. Ltd. (“**SubCo**”), and the transactions contemplated in the business combination agreement (the “**Canndora Business Combination Agreement**”) dated June 23, 2020, among the Company, Canndora and SubCo;
 - approving the acquisition of 100% of the issued and outstanding shares, options and warrants of Greeny Collaboration Group (Canada) Inc. (“**Greeny**”) by way of amalgamation with SubCo, and the transactions contemplated in the business combination agreement (the “**Greeny Business Combination Agreement**”, together with the Canndora Business Combination Agreement, the “**Business Combination Agreements**”) dated June 23, 2020, among the Company, Greeny and SubCo;
 - ratifying and approving of the take-over bid for 100% of the issued and outstanding shares and options of Lifted Innovations Inc. (“**Lifted**”) commenced on July 27, 2020, and the transactions contemplated in the Support Agreement (the “**Lifted Support Agreement**”) dated June 23, 2020, between the Company and Lifted; and
5. to transact such other business, including amendments to the foregoing, as may properly come before the Meeting or any adjournment or adjournments thereof.

Full details of the Transactions and other items of business to be transacted at the Meeting are set out in the accompanying Circular. The Circular describes the Transactions and includes certain additional

information to assist you in considering how to vote on the proposed Transactions Resolution (the full text of which is set forth in the Circular), including certain risk factors relating to the Transactions. You should carefully review and consider all of the information in the Circular, copies of which may be obtained without charge from the Company's transfer agent, Computershare Investor Services Inc. and under Kootenay's SEDAR profile at www.sedar.com. The descriptions of the Business Combination Agreements, Lifted Support Agreement and related documentation in this Circular are summaries only, and are not exhaustive and are qualified in its entirety by reference to the terms of such agreements and documentation, which are available on Kootenay's SEDAR profile at www.sedar.com and which is incorporated by reference herein.

In order to become effective, the Transactions Resolution must be passed by an affirmative vote of at least 66^{2/3}% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat.

This Notice of Meeting is accompanied by the Circular and either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders. The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Circular. The Circular is deemed to form part of this Notice of Meeting. Please read the Circular carefully before you vote on the matters to be presented at the Meeting.

The Kootenay Board have fixed the close of business on July 27, 2020 as the record date for determining Shareholders entitled to receive notice of and to vote at the Meeting. Only Shareholders whose names have been entered into the register of the holders of Kootenay Common Shares as at July 27, 2020, will be entitled to receive notice of and to vote at the Meeting in respect of such Kootenay Common Shares.

In light of the ongoing public health concerns related to COVID-19 and in order to comply with physical distancing measures imposed by the federal, provincial and municipal governments, only Registered Shareholders, non-registered Shareholders who have followed the procedures set forth in this Circular and their proxy holders, and any persons required or entitled by law to attend the Meeting, will be entitled to attend the Meeting in person. **However, all such persons are encouraged NOT to attend but to vote on matters at the Meeting by proxy, appointing a management proxyholder to limit the number of attendees.** Shareholders are urged to complete and return a proxy or voting instruction form if they wish to vote at the Meeting.

Kootenay reserves the right to deny physical attendance at the Meeting to any person in order to enforce physical distancing measures (including, but not limited to, limiting the total number of attendees at the Meeting and denying entry to any person exhibiting symptoms of COVID-19). Shareholders who wish to attend the Meeting in person must provide notice beforehand by email to Ms. Charmaine Ho at cho@farris.com of their intention to attend in person to ensure that Kootenay can maintain physical distancing and comply with the then current direction and advice from federal, provincial and municipal levels of government. Requirements for physical distancing that are effective on the date of the Meeting will limit the number of Shareholders permitted to attend the Meeting in person. Each such Shareholder will be asked to complete a declaration regarding COVID-19 related health matters prior to being admitted to the Meeting. The declaration will require the Shareholder to confirm that:

- they have not been outside of Canada in the last 14 days;
- they do not share a household with someone who has been outside of Canada in the last 14 days;
- they have not, to their knowledge, been in close contact in the last 14 days with someone who has been diagnosed with COVID-19; and

- they are not suffering from any flu-like symptoms.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. (i) by mail using the enclosed return envelope; or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy.

In all cases, Registered Shareholders should ensure that the Proxy is received no later than 10:00 a.m. on August 25, 2020 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting.

Should you wish to contact Computershare, please refer to the following:

General Shareholder Inquiries:

By phone: 1-800-564-6253 (toll free North America – International (514) 982-7555)
1-888-838-1405 (broker queries)
By fax: 1-866-249-7775 (toll free North America – International (416) 263-9524)
By email: service@computershare.com
By internet: www.computershare.com. The investors section offers enrolment for self-service account management for Registered Shareholders through Investor Centre
By regular mail: Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario, M5J 2Y1

All non-registered Shareholders who receive these materials through a broker or other intermediary should complete and return the materials in accordance with the instructions provided to them by such broker or intermediary.

DATED at Vancouver, British Columbia, as of this 29th day of July, 2020.

By order of the Board of Directors

“Von Torres”

Von Torres

Interim Chief Executive Officer and Interim Chief Financial Officer

MANAGEMENT INFORMATION CIRCULAR
AS AT AND DATED JULY 29, 2020
(Unless otherwise noted)

GENERAL INFORMATION

Introduction

This Circular accompanies the Notice of Meeting of Shareholders of Kootenay Common Shares scheduled to be held on August 27, 2020 (the “**Meeting**”), and is furnished in connection with a solicitation of proxies by management of the Company for use at that Meeting and at any adjournment or postponement thereof. No person has been authorized to give any information or make any representation in connection with the Transactions (as defined herein) or any other matters to be considered at the Meeting other than those contained in this Circular (or incorporated by reference herein) and, if given or made, any such information or representation must not be relied upon as having been authorized.

Information Contained in this Circular

The information contained in this Circular is given as at July 29, 2020, except where otherwise noted, and information contained in documents incorporated by reference herein is given as of the dates noted in those documents. All summaries of, and references to, the definitive documentation pursuant to the Transactions included in this Circular are qualified in their entirety by reference to the complete text of (i) each of the Business Combination Agreements, and (ii) the Lifted Support Agreement, the Lifted Take-over Bid Circular and related documentation, all of which are available under the Company’s SEDAR profile at www.sedar.com. You are urged to carefully read and consider the full texts of such documentation.

Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstance, provide any assurance or create any implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

The information concerning Canndora, Greeny and Lifted herein has been provided by Canndora, Greeny and Lifted. Although Kootenay has no knowledge that would indicate that any of such information is untrue or incomplete, Kootenay assumes no responsibility for the accuracy or completeness of such information or the failure by Canndora, Greeny or Lifted to disclose events that may have occurred or may affect the completeness or accuracy of such information.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

If you hold Kootenay Common Shares through a broker, investment dealer, bank, trust company, nominee or other intermediary (collectively, an “**Intermediary**”), you should contact your Intermediary for instructions and assistance in voting at the Meeting.

Cautionary Notice Regarding Forward-Looking Statements

This Circular, including documents incorporated by reference herein, contains forward-looking statements and information (collectively referred to as “**forward-looking information**”). All statements other than statements of historical fact are forward-looking information. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends”, “potential”, and similar expressions are intended to identify forward-looking information. Forward-looking information presented in such statements or disclosures may, among other things, relate to:

- (i) the anticipated benefits from the Transactions;
- (ii) the expected completion and implementation date of the Transactions;
- (iii) the listing of the Resulting Issuer Shares issuable pursuant to the Transactions on the CSE;
- (iv) certain combined operational and financial information;
- (v) the nature of the Resulting Issuer’s business and operations following the Transactions;
- (vi) forecasts of expenditures, including general and administrative expenses;
- (vii) expectations regarding the ability to raise capital;
- (viii) fluctuations in currency exchange rates;
- (ix) the Resulting Issuer’s business focus and outlook following the Transactions;
- (x) plans and objectives of management for future operations;
- (xi) anticipated operational and financial performance;
- (xii) the completion of the Lifted Take-over Bid and the number of shares Kootenay will acquire thereunder; and
- (xiii) the effect of the Transactions on Kootenay’s share capital.

Care should be taken when considering forward-looking information, which is inherently uncertain, is based on estimates and assumptions, and is subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking information will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking information is based will in fact be realized. Actual results may differ, and the difference may be material and adverse to Kootenay. Forward-looking information is provided for the purpose of providing information about the Parties’ current expectations and plans relating to the future. Reliance on such information may not be appropriate for other purposes, such as making investment decisions.

Various assumptions or factors are typically applied in drawing conclusions or making forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Parties and while consideration has been given to list what the Parties think are the most important factors, the list should not be considered exhaustive. In some instances, material assumptions and factors are presented or discussed elsewhere in this Circular in connection with the

statements or disclosure containing the forward-looking information. The factors and assumptions include, but are not limited to:

- (i) the approval of the Transactions by regulatory authorities;
- (ii) the approval of the Transactions Resolution by the Shareholders;
- (iii) the satisfaction or waiver of all conditions to the completion of the Transactions in accordance with the terms of the Business Combination Agreements and the Lifted Support Agreement (each as defined herein);
- (iv) no material changes in the legislative and operating framework for the business of the Resulting Issuer;
- (v) stock market volatility and market valuations;
- (vi) the ongoing effects of COVID-19;
- (vii) no material adverse changes in the business of any of the Parties;
- (viii) the ability of the Resulting Issuer to access capital subsequent to the Transactions; and
- (ix) no materially adverse events occurring outside the ordinary course of business of the Parties.

The forward-looking information in statements or disclosures in this Circular (including the documents incorporated by reference herein) is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Parties to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Parties, including information obtained from third-party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Parties do not know what impact any of those differences may have, their business, results of operations, and financial condition may be materially adversely affected.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change or may impact asset values and net earnings as further information becomes available, and as the economic environment changes.

Readers should also consider the risk factors described under “*Risk Factors*” and other risks described elsewhere in this Circular and in the documents incorporated by reference herein. Additional information on Kootenay may be accessed on Kootenay’s profile through SEDAR at www.sedar.com. Such documents, unless expressly incorporated by reference herein, and websites, although referenced, do not form part of this Circular.

The forward-looking information contained in this Circular (including the documents incorporated by reference herein) is made as of the date hereof and thereof and Kootenay undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable Canadian Securities Laws.

Conventions

Words importing the singular include the plural and vice versa.

This Circular contains defined terms. For a list of certain defined terms used herein, see Glossary of Terms beginning on the following page of the Circular.

Financial and Exchange Rate Information

The financial statements included in this listing statement have been prepared in accordance with IFRS and the audit of such financial statements is subject to Canadian auditing and auditor independence standards. These financial statements may not be comparable to financial statements of United States companies. The Resulting Issuer's pro forma financial statements, the Greeny Financial Statements and the Canndora Financial Statements have been prepared in Canadian Dollars, and the Lifted Financial Statements have been prepared in US Dollars.

Unless otherwise stated herein, all references to "\$" and "dollars" are to Canadian currency.

The following table sets forth for each period indicated: (i) the exchange rates in effect at the end of the periods indicated; (ii) the high and low exchange rates during each period; and (iii) the average exchange rates in effect during each period, in each case, as identified or calculated from the Bank of Canada rate in effect on each trading day during the relevant period. These rates are expressed as U.S. dollars per C\$1.00.

Calendar Year Ended December 31			
	2019	2018	2017
High for period	0.7699	0.8138	0.8245
Low for period	0.7353	0.7330	0.7276
Average for period	0.7537	0.7721	0.7708
Rate at end of period	0.7699	0.7330	0.7971

On July 28, 2020, the exchange rate as quoted by the Bank of Canada was C\$1.00 = US\$0.75 (US\$1.00 = C\$1.34).

GLOSSARY OF TERMS

In this Circular, the following terms shall have the respective meanings set out below, unless otherwise defined herein or unless there is something in the subject matter inconsistent therewith.

“**Alternative Transaction**” has the meaning ascribed thereto in “*The Lifted Support Agreement – Exclusivity*” of this Circular.

“**Amalco**” means 1251750 B.C. Ltd., the resulting entity following the completion of the Amalgamations, which will be, following the Closing, a wholly-owned subsidiary of the Resulting Issuer, and the business of which is the business of Greeny and Canndora prior to the Amalgamations.

“**Amalgamations**” has the meaning ascribed thereto in “*The Transactions – Summary of the Transactions*” of this Circular.

“**Angus Option Agreement**” means the option agreement dated September 12, 2019 between Kootenay and Longford relating to the Angus Property.

“**Angus Property**” means the 1,019 hectare gold and copper prospect in the Victoria mining division of Vancouver Island over which Kootenay owns 100% of certain minerals properties, together with the surface rights, mineral rights, personal property and permits associated therewith.

“**Appropriate Regulatory Approvals**” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities required in connection with the commencement of the Offer or the consummation of the Offer.

“**associate**” has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder.

“**Audit Committee**” means the audit committee of Kootenay, particulars of which are set forth in “*The Audit Committee*” of this Circular.

“**Bank Secrecy Act**” means the United States’ Bank Secrecy Act of 1970, as amended.

“**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as may be amended or replaced from time to time.

“**BCSC**” means the British Columbia Securities Commission.

“**Beneficial Shareholders**” has the meaning ascribed thereto in “*General Proxy Information – Beneficial Shareholders*” of this Circular.

“**Broadridge VIF**” has the meaning ascribed thereto in “*General Proxy Information – Beneficial Shareholders*” of this Circular.

“**Business Day**” means any day, which is not a Saturday, a Sunday or a statutory holiday in the Province of British Columbia.

“**Business Combination Agreements**” has the meaning ascribed thereto in “*The Business Combination Agreements*” of this Circular.

“**Cannabis Act**” means the *Cannabis Act*, S.C. 2018, c. 16.

“**Cannabis Regulations**” means the *Cannabis Regulations*, SOR/2018-144 to the Cannabis Act.

“**Canndora**” means Canndora Delivery Ltd. , a company incorporated pursuant to the laws of the Province of British Columbia.

“**Canndora Business Combination Agreement**” means the business combination agreement dated June 23, 2020 made among Kootenay, SubCo and Canndora, a copy of which is available under Kootenay’s SEDAR profile at www.sedar.com.

“**Canndora Common Shares**” means the issued and outstanding common shares in the capital of Canndora.

“**Canndora Financial Statements**” mean the audited consolidated financial statements of Canndora for the period from February 28, 2020 (the date of incorporation) to April 30, 2020, together with the notes thereto and the auditors’ report thereon, attached to this Circular as Schedule A to Appendix B.

“**Canndora Shareholders**” means holders of Canndora Common Shares.

“**Canadian Securities Laws**” means the *Securities Act* (British Columbia), as amended, and the equivalent legislation in the other provinces where Kootenay is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statutes and the published policies, bulletins and notices of the regulatory authorities administering such statutes.

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44.

“**CBD**” means cannabidiol.

“**CBP**” means the United States Customs and Border Protection, a United States federal law enforcement agency;

“**CCPA**” means the *California Consumer Privacy Act of 2018* (California).

“**CDS**” means the Canadian Depository for Securities.

“**Circular**” means this Circular of Kootenay, including all appendices and schedules hereto, and all amendments and supplements thereto.

“**Closing**” means the closing of the Transactions.

“**Closing Date**” means the date of Closing.

“**Cole Memorandum**” means the memorandum issued by the United States Department of Justice on August 29, 2013 that directed United States attorneys general not to prioritize the enforcement of federal marijuana laws against individuals and businesses that rigorously comply with state regulatory provisions in states with strictly-regulated medical or recreational cannabis programs.

“**Computershare**” means Computershare Investor Services Inc., Kootenay’s registrar and transfer agent.

“**Concurrent Financing**” has the meaning ascribed thereto in “*The Transactions – The Concurrent Financing*” of this Circular.

“Concurrent Financing Shares” means Cannodora Common Shares issued to certain subscribers pursuant to the Concurrent Financing and for greater certainty does not include the Finders Fee Shares.

“Concurrent Financing Warrants” means warrants to acquire Cannodora Common Shares issued to certain finders pursuant to the Concurrent Financing and for greater certainty does not include the Finders Fee Warrants.

“Consolidation” has the meaning ascribed thereto in *“The Transactions – Summary of the Transactions”* of this Circular.

“CSE” means the Canadian Securities Exchange.

“DDoS” means distributed denial-of-service.

“Dissent Rights” has the meaning ascribed thereto in *“Approval of Transactions Resolutions – Dissenting Shareholders’ Rights”* of this Circular.

“Dissenting Shareholder” has the meaning ascribed thereto in *“Approval of Transactions Resolutions – Dissenting Shareholders’ Rights”* of this Circular.

“Dissent Notice” has the meaning ascribed thereto in *“Approval of Transactions Resolutions – Dissenting Shareholders’ Rights”* of this Circular.

“Dissent Procedures” has the meaning ascribed thereto in *“Approval of Transactions Resolutions – Dissenting Shareholders’ Rights”* of this Circular.

“Dissenting Shares” has the meaning ascribed thereto in *“Approval of Transactions Resolutions – Dissenting Shareholders’ Rights”* of this Circular.

“DOJ” means the United States Department of Justice.

“E-Commerce Sites” has the meaning ascribed thereto in *“Narrative Description of the Business”* of Appendix D of this Circular.

“ESC Hughes” has the meaning ascribed to that term under the heading *“General Development of the Business”* of Appendix D of this Circular.

“Escrow Agreement” has the meaning ascribed thereto in *“Escrowed Securities”* of Appendix E of this Circular.

“Escrowed Securities” has the meaning ascribed thereto in *“Escrowed Securities”* of Appendix E of this Circular.

“Exchange” has the meaning ascribed thereto in *“Statement of Executive Compensation – Description of Stock Option Plan”* of this Circular.

“Expiry Date” means the 35th day after the date that the Offer is commenced within the meaning of the Securities Act, or any subsequent date set out in any notice of Kootenay extending the period during which Lifted Common Shares may be deposited under the Offer or as otherwise provided under the Agreement, which for greater certainty such date shall not be earlier than, if applicable, the last day of the mandatory 10-day extension period (as such term is defined in NI 62-104), provided that, if such day is not a Business Day, then the Expiry Date shall be the next Business Day.

“Expiry Time” means 12:01 a.m. on the Expiry Date, or such earlier or later time or times as may be fixed by Kootenay from time to time.

“FDA” means the United States Food and Drug Administration.

“FFDCA” means the *Federal Food Drug and Cosmetic Act* (United States).

“FinCEN” means the Financial Crimes Enforcement Network of the United States Department of the Treasury.

“FinCEN Memorandum” means the memorandum issued by FinCEN on February 14, 2014 that outlined Bank Secrecy Act-compliant pathways for financial institutions to service state-sanctioned cannabis businesses.

“Finders Fee Shares” means Cannodora Common Shares issued to certain finders pursuant to the Concurrent Financing and for greater certainty does not include Concurrent Financing Shares.

“Finders Fee Warrants” means warrants to acquire Cannodora Common Shares issued to certain finders pursuant to the Concurrent Financing and for greater certainty does not include Concurrent Financing Warrants.

“forward-looking information” has the meaning ascribed thereto in *“Cautionary Notice Regarding Forward-Looking Statements”* of this Circular.

“Gravitas Option Agreement” means the option agreement between Gravitas Metals Corp. and the holders of the Sully Property dated October 21, 2011, as amended August 9, 2016 and October 20, 2017, pursuant to which Gravitas Metals Corp. holds an exclusive option and right to acquire an 80% interest in certain mining claims located in the Fort Steele Mining Division in the southeast portion of the province of British Columbia.

“Greeny” means Greeny Collaboration Group (Canada) Inc.

“Greeny Business Combination Agreement” means the business combination agreement dated June 23, 2020 among Kootenay, SubCo and Greeny, among others, a copy of which is available under Kootenay’s SEDAR profile at www.sedar.com.

“Greeny Common Shares” means the issued and outstanding common shares in the authorized share structure of Greeny.

“Greeny Convertible Debt Instruments” has the meaning ascribed thereto in *“The Transactions – Summary of the Transactions”* of this Circular.

“Greeny Convertible Debt Transactions” has the meaning ascribed thereto in *“The Transactions – Summary of the Transactions”* of this Circular.

“Greeny Financial Statements” mean the (i) the audited consolidated financial statements of Greeny for the period from July 17, 2019 (the date of incorporation) to July 31, 2019 and for the year then ended, together with the notes thereto and the auditors’ report thereon; and (ii) audited consolidated interim financial statements of Greeny for the nine months ended April 30, 2020, together with the notes thereto and the auditors’ report thereon, all as attached to this Circular as Schedule A to Appendix C.

“Greeny Options” means options of Greeny to acquire Greeny Common Shares.

“Greeny Shareholders” means holders of Greeny Common Shares.

“Greeny Shares for Debt Transactions” has the meaning ascribed thereto in *“The Transactions – Summary of the Transactions”* of this Circular.

“Greeny Warrants” means share purchase warrants of Greeny to acquire Greeny Common Shares.

“Governmental Entity” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission, or stock exchange, including the CSE.

“IEMR Corp.” has the meaning ascribed thereto under *“Directors and Executives Officers”* in Appendix D of this Circular.

“IEMR CCAA Proceedings” has the meaning ascribed thereto under *“Directors and Executives Officers”* in Appendix D of this Circular.

“IFRS” means International Financial Reporting Standards developed and maintained by the International Accounting Standards Board.

“Indemnified Party” and **“Indemnified Parties”** have the meaning ascribed thereto in *“The Lifted Support Agreement – Indemnifications”* of this Circular.

“Intermediary” or **“Intermediaries”** has the meaning ascribed thereto under *“General Information – Information Contained in this Circular”* of this Circular.

“Kootenay” or the **“Company”** means Kootenay Zinc Corp., a company incorporated pursuant to the laws of the Province of British Columbia.

“Kootenay Board” means the board of directors of Kootenay.

“Kootenay Common Shares” means the issued and outstanding common shares in the capital of Kootenay.

“Kootenay Financial Statements” mean the (i) audited financial statements of Kootenay as at February 28, 2018, and 2017 and for the years then ended, together with the notes thereto and the auditors’ report thereon; (ii) audited financial statements of Kootenay as at February 28, 2019, and 2018 and for the years then ended, together with the notes thereto and the auditors’ report thereon; and (iii) audited financial statements of Kootenay as at February 29, 2020, and February 28, 2019 and for the years then ended, together with the notes thereto and the auditors’ report thereon, copies of which are available under Kootenay’s SEDAR profile at www.sedar.com.

“Kootenay Options” means options of Kootenay to acquire Kootenay Common Shares.

“Kootenay Shares for Debt Transactions” has the meaning ascribed thereto in *“The Transactions – Summary of the Transactions”* of this Circular.

“Kootenay Stock Option Plan” has the meaning ascribed thereto in *“Statement of Executive Compensation – Analysis of Elements”* of this Circular.

“**Law**” means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements of any regulatory authority having the force of law.

“**Lifted**” means Lifted Innovations Inc.

“**Lifted Board**” means the board of directors of Lifted.

“**Lifted Convertible Debt**” has the meaning ascribed thereto in “*The Transactions – Summary of the Transactions*” of this Circular.

“**Lifted Convertible Debt Transactions**” has the meaning ascribed thereto in “*The Transactions – Summary of the Transactions*” of this Circular.

“**Lifted Lock-Up Agreements**” has the meaning ascribed thereto in “*The Lifted Lock-Up Agreements*” of this Circular.

“**Lifted Locked-Up Securityholders**” has the meaning ascribed thereto in “*The Lifted Lock-Up Agreements*” of this Circular.

“**Lifted Common Shares**” means the issued and outstanding common shares in the capital of Lifted.

“**Lifted Financial Statements**” mean the (i) audited consolidated financial statements of Lifted for the period from February 27, 2018 to October 31, 2018 and for the year then ended October 31, 2019, together with the notes thereto and the auditors’ report thereon; and (ii) unaudited reviewed interim financial statements of Lifted for the six months ended April 30, 2020, together with the notes thereto and the auditors’ report thereon, all as attached to this Circular as Schedule A to Appendix D.

“**Lifted Optionholders**” means holders of Lifted Options.

“**Lifted Options**” means options of Lifted to acquire Lifted Common Shares.

“**Lifted Shareholders**” means holders of Lifted Common Shares.

“**Lifted Support Agreement**” means the support agreement between Kootenay and Lifted dated June 23, 2020 pursuant to which Kootenay agreed to make the Lifted Take-over Bid and Lifted agreed to support the Lifted Take-over Bid.

“**Lifted Take-over Bid**” has the meaning ascribed thereto in “*The Transactions – Summary of the Transactions*” of this Circular.

“**Lifted Take-over Bid Circular**” means the Kootenay offer and take-over bid circular dated July 27, 2020 for the acquisition of 100% of the issued and outstanding Lifted Common Shares and Lifted Options.

“**Maximum Financing Amount**” has the meaning ascribed thereto in “*The Transactions – The Concurrent Financing*” of this Circular.

“**Meeting**” has the meaning ascribed thereto in “*General Information – Introduction*” of this Circular.

“**Minimum Financing Amount**” has the meaning ascribed thereto in “*The Transactions – The Concurrent Financing*” of this Circular.

“Minimum Tender Condition” has the meaning ascribed thereto in *“The Transactions – Summary of the Transactions”* of this Circular.

“Name Change” means the change of name of Kootenay to *“PeakBirch Logic Inc.”*, to take effect concurrently with the Closing.

“Named Executive Officer” or **“NEO”** has the meaning ascribed to such term under *“Statement of Executive Compensation”* of this Circular.

“NI 54-101” means National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer*.

“NI 62-104” means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

“NP 46-201” means National Policy 46-201 – *Escrow for Initial Public Offerings*.

“Notice of Meeting” means the notice of annual general and special meeting that accompanies this Circular.

“OBOs” has the meaning ascribed thereto in *“General Proxy Information – Beneficial Shareholders”* of this Circular.

“Offer” means the offer made by Kootenay to Lifted Shareholders by way of the Lifted Take-over Bid for: (i) all of the outstanding Lifted Common Shares at an offer price of one (1) Resulting Issuer Share per one (1) Lifted Common Share, and (ii) all of the outstanding Lifted Options at an offer price of one (1) Resulting Issuer Option per one (1) Lifted Option.

“Offer Consideration” has the meaning ascribed thereto in *“The Lifted Support Agreement”* of this Circular.

“Offer Deadline” means the deadline set out in the Lifted Support Agreement, as may be amended.

“Participants” has the meaning ascribed thereto in *“Statement of Executive Compensation – Description of Stock Option Plan”* of this Circular.

“Parties” means collectively Kootenay, Canndora, Greeny and Lifted.

“Person” means an individual, general partnership, limited partnership, corporation, company, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative.

“Proxy” has the meaning ascribed thereto in *“General Proxy Information – Appointment of Proxyholder”* of this Circular.

“RBA” means the Rohrabacher-Blumenauer Amendment, an omnibus appropriations bill enacted by the United States Congress in December 2014.

“Record Date” means July 27, 2020, the date fixed for determining the Shareholders entitled to receive notice of, and to vote at, the Meeting.

“Registered Shareholder” means a registered Shareholder of Kootenay Common Shares as recorded in the central securities register of Kootenay maintained by Computershare.

“Related Entity” means, in respect of a CSE issuer:

- (a) a person
 - (i) that is an affiliated entity of a CSE issuer,
 - (ii) of which a CSE issuer is a control block holder;
- (b) a management company or distribution company of a mutual fund that is a CSE issuer; or
- (c) a management company or other company that operates a trust or partnership that is a CSE issuer.

“Related Person” means, in respect of a CSE issuer:

- (a) a Related Entity of a CSE issuer;
- (b) a partner, director or officer of a CSE issuer or Related Entity;
- (c) a promoter of or person who performs Investor Relations Activities for a CSE issuer or Related Entity;
- (d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of a CSE issuer or Related Entity; and
- (e) such other person as may be designated from time to time by the CSE.

“Representative” has the meaning ascribed thereto in *“The Lifted Support Agreement – Exclusivity”* of this Circular.

“Resulting Issuer” means PeakBirch Logic Inc., the resulting issuer following Closing of the Transactions.

“Resulting Issuer Board” means the board of directors of the Resulting Issuer, as reconstituted following the Closing.

“Resulting Issuer Options” means options to acquire Resulting Issuer Shares.

“Resulting Issuer Shares” means Kootenay Common Shares after giving effect to the Consolidation and Transactions.

“Resulting Issuer Warrants” means warrants to acquire Resulting Issuer Shares.

“RICO” means the United States’ Racketeer Influenced and Corrupt Organizations Act.

“Securities Act” means the *Securities Act* (British Columbia), RSBC 1996, Chapter 418 and the rules, regulations and published policies made thereunder.

“Securities Laws” means the Securities Act and all other applicable provincial securities laws, rules and regulations and published policies thereunder.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“**Sessions Memorandum**” means the memorandum issued by US Attorney General Jeff Sessions on January 4, 2018 that confirmed the rescission of the Cole Memorandum.

“**Shareholders**” means holders of Kootenay Common Shares.

“**SubCo**” means 1251750 B.C. Ltd., a wholly owned Subsidiary of Kootenay.

“**Subsidiary**” means, with respect to a person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class will or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such person and will include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary.

“**Sully Option Agreement**” means the option agreement dated effective September 30, 2016, as amended October 20, 2017, between Kootenay and Gravitass Metals Corp. relating to the Sully Property pursuant to which Kootenay has an option to acquire all of the issued and outstanding shares of Gravitass Metals Corp., a company that holds an interest in certain mining claims on the Sully Property pursuant to the Gravitass Option Agreement.

“**Sully Property**” means the 1,375 hectare prospect located approximately 30km east of Kimberley, British Columbia that is the subject of the Sully Option Agreement and the Gravitass Option Agreement.

“**Temporary Order**” means the temporary order issued November 26, 2018 by the BCSC as is described under the heading “*Information Concerning Kootenay – General Development of the Business*” of this Circular.

“**THC**” means tetrahydrocannabinol.

“**TMX MOU**” means a memorandum dated February 8, 2018 between CDS, Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange.

“**Transactions**” means, collectively, the Consolidation, Amalgamations and the Lifted Take-over Bid, which will result in a reverse takeover and change of business of Kootenay.

“**Transactions Effective Date**” has the meaning ascribed under “*Dissenting Shareholders Rights*” of this Circular.

“**Transactions Resolution**” has the meaning ascribed under “*Approval of the Transactions Resolution*” of this Circular.

“**Unit**” has the meaning ascribed thereto in “*The Transactions – The Concurrent Financing*” of this Circular.

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

“**US Controlled Substances Act**” means the United States’ *Controlled Substances Act of 1970*.

THE TRANSACTIONS

Summary of the Transactions

The Company is seeking Shareholder approval for the Transactions and related matters at the Meeting, as more fully detailed in this Circular.

The Transactions, which constitute a fundamental change and a change of business of the Company under the policies of the CSE, are as follows:

- (i) Kootenay will, concurrently or prior to Closing, complete a 23-1 share consolidation (the “**Consolidation**”) to reduce the number of Kootenay Common Shares issued and outstanding from 14,964,324 pre-consolidated Kootenay Common Shares to 650,623 post-consolidated Kootenay Common Shares. Kootenay will also settle certain debt of Kootenay concurrently with or prior to Closing by the issuance of 69,441 Resulting Issuer Shares to debtholders of Kootenay (“**Kootenay Shares for Debt Transactions**”).
- (ii) Kootenay will acquire 100% of all of the Canndora Common Shares and 100% of all of the Greeny Common Shares via amalgamation under the BCBCA (the “**Amalgamations**”). The terms of the Amalgamations are set forth in the Canndora Business Combination Agreement and the Greeny Business Combination Agreement entered into on June 23, 2020. Canndora Shareholders, in exchange for 100% of the Canndora Common Shares, will receive 18,260,870 Resulting Issuer Shares. Shareholders representing 100% of the Canndora Common Shares have approved the Amalgamations. Shareholders of Greeny will receive 8,745,373 Resulting Issuer Shares in exchange for 100% of the Greeny Common Shares, holders of Greeny Options will receive 660,244 Resulting Issuer Options in exchange for their Greeny Options and holders of Greeny Warrants will receive 568,723 Resulting Issuer Warrants in exchange for their Greeny Warrants. Shareholders representing 100% of the Greeny Common Shares have approved the Amalgamations. Greeny will also settle certain debt of Greeny concurrently with or prior to Closing by the issuance of 882,629 Greeny Common Shares to certain debtholders of Greeny which will be exchanged for 420,758 Resulting Issuer Shares on Closing (“**Greeny Shares for Debt Transactions**”) and enter into certain convertible debt instruments (“**Greeny Convertible Debt Instruments**”) with certain holders of Greeny debt providing for the conversion of such Greeny Convertible Debt Instruments, at the option of the holder, for up to an aggregate maximum of 563,385 Resulting Issuer Shares (the “**Greeny Convertible Debt Transactions**”). See “*The Business Combination Agreements*” below for more details on the Amalgamations, the Canndora Business Combination Agreement and the Greeny Business Combination Agreement.
- (iii) On July 27, 2020 Kootenay made a take-over bid pursuant to NI 62-104 for the acquisition of 100% of the Lifted Common Shares and Lifted Options (the “**Lifted Take-over Bid**”), subject to a minimum deposit condition of 50.1% of Lifted Common Shares (the “**Minimum Tender Condition**”). Lifted Shareholders have been offered one (1) Resulting Issuer Share for every one (1) Lifted Common Share and one (1) Resulting Issuer Option for every one (1) Lifted Option, which, if 100% of the Lifted Common Shares and 100% of the Lifted Options are tendered under the Lifted Take-over Bid, will result in 61,430,479 Resulting Issuer Shares being issued and 3,750,000 Resulting Issuer Options being granted. Kootenay will issue one (1) Resulting Issuer Option in exchange for each outstanding Lifted Option tendered under the Lifted Take-over Bid and such Resulting Issuer Option will expire on the later of (i) the expiry date of the Lifted Option for which such Resulting Issuer Option

is exchanged, and (ii) twelve (12) months after the date of the Closing. The terms of the Lifted Take-over Bid are contained in the Lifted Take-over Bid Circular which was delivered to the Lifted Shareholders and Lifted Optionholders along with the Lifted Support Agreement. Lifted Shareholders representing approximately 61% of the Lifted Common Shares have entered into the Lifted Lock-Up Agreements in support of the Lifted Take-over Bid. Lifted has also entered into certain convertible promissory notes in the aggregate amount of \$1,056,454.14 ("**Lifted Convertible Debt**") with certain holders of Lifted debt providing for the conversion of such Lifted Convertible Debt, at the option of the holder, into such number of Resulting Issuer Shares equal to a maximum of 1,027,352 Resulting Issuer Shares (assuming a market price of \$1.15 per Resulting Issuer Share) (the "**Lifted Convertible Debt Transactions**"). See "*The Lifted Support Agreement*" below for more details on the Lifted Take-over Bid, the Lifted Support Agreement and the Lifted Lock-Up Agreements.

Resulting Issuer Shares issued to Greeny Shareholders and Lifted Shareholders pursuant to the Amalgamations and the Lifted Take-over Bid will be subject to a contractual hold period of four (4) months plus one (1) day from the Closing Date of the Transactions.

The Transactions are subject to a number of conditions, including:

- (i) final approval of the CSE;
- (ii) Shareholder approval of the Transactions;
- (iii) the minimum deposit of 50.1% of Lifted common shares under the Take-over bid;
- (iv) completion of the Consolidation; and
- (v) completion of the Concurrent Financing.

Upon Closing of the Transactions, Kootenay will operate as the Resulting Issuer and change its name to PeakBirch Logic Inc.

Upon completion of the Transactions, Von Torres will resign from the Kootenay Board and as interim Chief Executive Officer and Chief Financial Officer and will be replaced with Marc Mulvaney (who will serve as Chief Executive Officer of the Resulting Issuer) and Ricardo De Barros. Kang Yau will also be appointed to the Resulting Issuer Board. Usama Chaudhry will remain on the Resulting Issuer Board and serve as Chief Financial Officer of the Resulting Issuer and Sean Duncombe will be appointed as the Chief Operating Officer of the Resulting Issuer. Biographies of the Resulting Issuer Board and its executive officers are as follows:

Marc Mulvaney, Chief Executive Officer and Director of the Resulting Issuer

Marc Mulvaney is an accomplished e-commerce executive with over 23 years of experience. He is a senior consultant of Lifted Innovations Inc, an e-commerce technology company focused on premium cannabis accessories. During his time at Lifted, he demonstrated his capabilities and experience as a leader by increasing sales and growing bottom line while spearheading operational improvements to drive productivity and reduce costs. Marc is a result-oriented, decisive leader with a proven entrepreneurial track record.

Usama Chaudhry, Chief Financial Officer and Director of the Resulting Issuer

Usama Chaudhry is an experienced businessman who will be the Chief Financial Officer of the Resulting Issuer and continue to serve on the Resulting Issuer Board. Mr. Chaudhry sits on a number of public company boards and specializes in executive management services, including corporate development, investor relations, financial reporting, company filings, budgeting and overseeing corporate governance, while achieving company objectives and maintaining internal cost controls.

Ricardo De Barros, Director of the Resulting Issuer

Ricardo De Barros is an attorney in Montreal, Canada and founding partner of a law firm that specializes in complex real estate transactions and asset management. Mr. De Barros received a degree in Psychology from McGill University before studying Law at the University of Montreal with a Master's degree in Taxation. Mr. De Barros donates a lot of his free time to Charitable organizations in the Montreal area and is fluent in English, French and Portuguese.

Kang Yau, Director of the Resulting Issuer

Kang Yau has over 25 years accounting experience within various industries. He received a Certificate in Legal studies from the University of Hong Kong and now operates as a Finance Director in a construction company based in London, UK. He oversees the company's day-to-day finances as well as always exploring opportunities for growth and tax saving. Mr. Yau specialises in credit management and has an excellent recovery record with historic and difficult debtors.

Sean Duncombe, Chief Operating Officer of the Resulting Issuer

Sean Duncombe is a seasoned executive and entrepreneur with over 10 years of experience in building and managing e-commerce and logistics businesses and will be the Chief Operating Officer of the Resulting Issuer. He is currently the Vice-President of Operations at Lifted Innovations Inc. an e-commerce technology company focused on premium cannabis accessories. During his time at Lifted, he demonstrated his leadership skills and ability in completing key projects. Mr. Duncombe is fluent in English, French and German.

Subject to the foregoing conditions being satisfied or, if applicable, waived, the Transactions are anticipated to close in September, 2020.

A listing statement will be prepared in connection with the Transactions reflecting, among other things, the business of the Resulting Issuer following the Closing of the Transactions and filed under the Resulting Issuer's SEDAR profile at www.sedar.com.

The Concurrent Financing

Immediately prior to the Closing of the Transactions, Canndora intends to complete a unit (each, a "Unit") financing (the "**Concurrent Financing**") at a price of \$1.17 per Unit for gross proceeds of between \$500,000 (the "**Minimum Financing Amount**") and \$1,500,000 (the "**Maximum Financing Amount**"). Each Unit consists of one (1) Canndora Common Share (a "**Concurrent Financing Share**") and one (1) share purchase warrant to acquire Canndora Shares (a "**Concurrent Financing Warrant**"), entitling the holder thereof to acquire one (1) Canndora Common Share at a price of \$1.42 per Canndora Common Share for a period of 3 years from the closing of the Concurrent Financing. It is anticipated that that finder's fees consisting of 6% Units and 6% cash will be paid in respect of subscriptions from investors introduced by finders. Upon Closing of the Transactions, it is expected that all Concurrent Financing Shares and

Concurrent Financing Warrants issued under the Concurrent Financing, including those Finders Fee Shares and Finders Fee Warrants issued to finders under the Concurrent Financing, will be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants, respectively.

Pro Forma Resulting Issuer Share Capitalization

For illustrative purposes only, it is anticipated that the Transactions, assuming the Maximum Financing Amount (including the maximum number of Finders Fee Shares issued in connection with the Maximum Financing Amount) and the issuance of Resulting Issuer Shares and Resulting Issuer Options to those Lifted Shareholders and Lifted Optionholders that have executed Lifted Lock-Up Agreements, will result in the following issuances of securities:

- (i) the current Shareholders will be issued an aggregate of 650,623 Resulting Issuer Shares, representing approximately 0.97% of the (non-diluted) issued and outstanding Resulting Issuer Shares;
- (ii) certain debtholders of Kootenay will be issued 69,441 Resulting Issuer Shares, representing approximately 0.10% of the (non-diluted) issued and outstanding Resulting Issuer Shares pursuant to the Kootenay Shares for Debt Transactions;
- (iii) the current Canndora Shareholders will be issued an aggregate of 18,260,870 Resulting Issuer Shares, representing approximately 27.19% of the (non-diluted) issued and outstanding Resulting Issuer Shares;
- (iv) the current Greeny Shareholders will be issued an aggregate of 8,745,373 Resulting Issuer Shares, representing approximately 12.92% of the (non-diluted) issued and outstanding Resulting Issuer Shares, together with 660,244 Resulting Issuer Shares being reserved for issuance pursuant to the exercise of Greeny Options and 568,723 Resulting Issuer Shares being reserved for issuance pursuant to the exercise of Greeny Warrants;
- (v) certain debtholders of Greeny will be issued 420,758 Resulting Issuer Shares, representing approximately 0.63% of the (non-diluted) issued and outstanding Resulting Issuer Shares pursuant to the Greeny Shares for Debt Transactions;
- (vi) the current Lifted Shareholders will be issued an aggregate of 37,620,809 Resulting Issuer Shares, representing approximately 56.02% of the (non-diluted) issued and outstanding Resulting Issuer Shares, together with 2,750,000 Resulting Issuer Shares being reserved for issuance pursuant to the exercise of Lifted Options that were tendered under the Lifted Take-over Bid;
- (vii) subscribers to the Financing will be issued an aggregate of 1,304,348 Resulting Issuer Shares, representing approximately 1.94% of the (non-diluted) issued and outstanding Resulting Issuer Shares, together with 1,304,348 Resulting Issuer Shares being reserved for issuance pursuant to the exercise of warrants issued pursuant to the Financing; and
- (viii) an aggregate of 78,261 Resulting Issuer Shares, representing approximately 0.12% of the (non-diluted) issued and outstanding Resulting Issuer Shares, will be issued to certain third parties as finders fees pursuant to the Financing, together with 78,261 Resulting Issuer Shares being reserved for issuance pursuant to the exercise of warrants as finders fees pursuant to the Financing.

The Greeny Convertible Debt Instruments, entitling the holders thereof to receive such number of Resulting Issuer Shares equal to a maximum of 563,385 Resulting Issuer Shares, and the Lifted Convertible Debt, entitling the holders thereof to receive such number of Resulting Issuer Shares equal to a maximum of 1,027,352 Resulting Issuer Shares (assuming a market price of \$1.15 per Resulting Issuer Share), will remain outstanding following the Closing of the Transactions and will be converted into Resulting Issuer Shares at the option of the holders of Greeny Convertible Debt Instruments and Lifted Convertible Debt, as applicable, in accordance with their respective terms.

Certain of the Resulting Issuer Shares will be subject to escrow conditions and applicable resale restrictions as required by applicable Securities Laws and CSE requirements. See *Appendix E – Information Concerning the Resulting Issuer – Escrowed Securities* of this Circular. Additionally, Resulting Issuer Shares issued to Greeny Shareholders and Lifted Shareholders pursuant to the Amalgamations and the Lifted Take-over Bid will be subject to a contractual hold period of four (4) months plus one (1) day from the closing of the Transactions.

The descriptions of the Canndora Business Combination Agreement, Greeny Business Combination Agreement, Lifted Take-over Bid Circular, Lifted Support Agreement and Lifted Lock-Up Agreements in this Circular are summaries only, and are not exhaustive and are qualified in its entirety by reference to the terms of such agreements, which are available on Kootenay's SEDAR profile at www.sedar.com and which is incorporated by reference herein.

Shareholder Approval

The policies of the CSE consider the Transactions to be a “fundamental change” and a “change of business” as defined therein. The policies of the CSE require that a “fundamental change” and a “change of business” must be approved by the Shareholders prior to the completion of the Transactions in order to qualify the Resulting Issuer Shares for Listing. Accordingly, at the Meeting, Shareholders will be asked to consider the Transactions Resolution to approve the Transactions.

To be effective, the Transactions Resolution must be approved by special majority of 66 2/3% of affirmative votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat.

Closing of the Transactions

If the Transactions Resolution is passed, and all other conditions under the Consolidation, Business Combination Agreements and Lifted Support Agreement are satisfied or waived, the Transactions will become effective on a date determined by the Parties. Kootenay currently expects that the Transactions will be completed in July 2020.

Recommendation of the Kootenay Board

AFTER CAREFUL CONSIDERATION, THE KOOTENAY BOARD HAS UNANIMOUSLY DETERMINED THAT THE TRANSACTIONS ARE FAIR TO THE SHAREHOLDERS, AND IS IN THE BEST INTERESTS OF KOOTENAY. THE KOOTENAY BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE TRANSACTIONS RESOLUTION.

Reasons for the Transactions and Recommendations

In making its determination and recommendations, the Kootenay Board consulted with Kootenay's management and advisers and considered the Transactions with reference to the general industry, economic and market conditions as well as the financial condition of Kootenay, its prospects as currently operated, strategic alternatives, competitive position and the risks related to Kootenay's ongoing financing requirements. Kootenay has also explored its options related to pursuing the exploration and development of the Angus Property.

The Kootenay Board also considered a variety of risks and other potentially negative factors relating to the Transactions including those matters described under the heading "*Risk Factors*".

In making its determination and recommendations, the Kootenay Board, in consultation with Kootenay's management and advisors, considered a number of potential issues regarding and risks (as described in greater detail under the heading "*Risk Factors*") relating to the Transactions, including:

1. the risks to Kootenay and the Shareholders if the Transactions is not completed, including the costs to Kootenay of pursuing the Transactions and the diversion of Kootenay's management from the conduct of Kootenay's business in the ordinary course;
2. Kootenay may not have been able to verify the reliability of all information regarding Canndora, Greeny and Lifted included in this Circular and information not known to Kootenay may result in unanticipated liabilities or expenses, or adversely affect the operation plans of the Resulting Issuer and its results of operations and financial condition;
3. the Parties may fail to realize the anticipated benefits of the Transactions;
4. the Consolidation and the dilution effect on the interest of the Shareholders;
5. the conditions to Kootenay's obligations to complete the Transactions; and
6. the right of Kootenay to terminate the Transactions under certain circumstances.

The Kootenay Board's reasons for recommending the approval of the Transactions Resolution include certain assumptions relating to forward-looking information, and such information and assumptions, are subject to various risks. The Kootenay Board believes that, overall, the anticipated benefits of the Transactions to Kootenay outweigh these risks and negative factors. See "*Cautionary Notice Regarding Forward-Looking Statements*" and "*Risk Factors*" in this Circular.

The foregoing summary of information and factors considered by the Kootenay Board is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Transactions, the Kootenay Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its determination and recommendation. The Kootenay Board's recommendations were made after considering all of the above-noted factors and in light of its knowledge of the business, financial condition and prospects of Kootenay, and was also based on the advice of advisors. Individual directors may have assigned or given different weights to different factors. **The Kootenay Board was, however, unanimous in its determination that the Transactions are in the best interests of Kootenay and the Shareholders and in its recommendation that Shareholders vote IN FAVOUR OF the Transactions Resolution.**

THE BUSINESS COMBINATION AGREEMENTS

On June 23, 2020, Kootenay, SubCo and Canndora entered into the Canndora Business Combination Agreement, and Kootenay, SubCo and Greeny entered into the Greeny Business Combination Agreement (collectively, the “**Business Combination Agreements**”). Pursuant to the Business Combination Agreements, and subject to the terms and conditions therein, Kootenay will acquire 100% of the issued and outstanding Canndora Common Shares and Greeny Common Shares under the amalgamation of SubCo, Canndora and Greeny under the BCBCA, and Canndora Shareholders and Greeny Shareholders will become shareholders of the Resulting Issuer. Canndora Shareholders will receive 18,260,870 Resulting Issuer Shares, Greeny Shareholders will receive 8,745,373 Resulting Issuer Shares and Shareholders will receive 650,623 Resulting Issuer Shares. Greeny will settle certain debt of Greeny concurrently with or prior to Closing by the issuance of 420,758 Resulting Issuer Shares to debtholders of Greeny pursuant to the Greeny Shares for Debt Transactions and issue up to an aggregate maximum of 563,385 Resulting Issuer Shares pursuant to the Greeny Convertible Debt Transactions. The terms of the Business Combination Agreements are the result of arm’s-length negotiations between Kootenay, Canndora and Greeny with the assistance of their respective advisors.

The following is a summary of certain material terms of the Business Combination Agreements. This summary does not contain all of the information about the Business Combination Agreements and is qualified in entirety by the full text of the Business Combination Agreements. Therefore, Shareholders should read the Business Combination Agreements (filed on www.sedar.com under Kootenay’s profile) carefully and in their entirety, as the rights and obligations of Kootenay, Canndora and Greeny are governed by the express terms of the Business Combination Agreements and not by this summary or any other information contained in this Circular.

Certain capitalized terms used in this summary that are not defined in the *Glossary of Terms* have the meanings ascribed to them in the respective Business Combination Agreements.

Amalgamations

Subject to the terms and conditions of the Business Combination Agreements, at the Closing, Canndora, Greeny and SubCo are to amalgamate under the provisions of the BCBCA and:

- (i) every Canndora Common Share prior to the Amalgamations shall entitle the holder thereof to be issued and to receive approximately 1.01449275 fully paid and non-assessable Resulting Issuer Share; and
- (ii) every Greeny Common Share prior to the Amalgamations shall entitle the holder thereof to be issued and to receive approximately 0.47671020 fully paid and non-assessable Resulting Issuer Share.

Conditions to Closing the Amalgamations and Required Approvals

The Amalgamations (and the Transactions) are subject to a number of approvals and conditions prior to its implementation, including, but not limited to the following:

- (i) Kootenay shall have completed the Consolidation;
- (ii) the approval of the CSE of the Transactions, subject to the CSE’s usual conditions;
- (iii) the Financing will have closed;

- (iv) the Transactions shall have been approved by the Shareholders at the Meeting;
- (v) the Canndora Business Combination Agreement shall have been approved by 100% of the Canndora Shareholders;
- (vi) the Greeny Business Combination Agreement shall have been approved by 100% of the Greeny Shareholders;
- (vii) the Minimum Tender Condition will have been satisfied under the Lifted Take-over Bid;
- (viii) all consents, notices, orders and approvals, including, without limitation, third party consents or regulatory approvals required or desirable for the completion of the Transactions, if any, shall have been obtained, delivered or received, all on terms satisfactory to the parties; and
- (ix) no provision of any applicable Laws will prohibit or otherwise challenge the legality or validity of the Transactions.

Representations and Warranties

The Business Combination Agreements contain representations and warranties made by and to Kootenay, Canndora, Greeny, the Canndora Shareholders and the Greeny Shareholders, respectively, for the purposes of the Transactions and are subject to qualifications and limitations agreed to by the parties in connection with negotiating and entering into the Business Combination Agreements. In addition, these representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to Shareholders, or may have been used for the purpose of allocating risk between the parties instead of establishing such matters as facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Business Combination Agreements.

Kootenay and SubCo have provided to the Canndora Shareholders and Greeny Shareholders representations and warranties that include the following: organization and incorporation; authority relative to the Business Combination Agreements; organizational documents and corporate records; no conflicts/required consents; capitalization; Subsidiaries and investments; financial statements, no undisclosed liabilities; indebtedness; material contracts; legal proceedings; compliance with laws; licenses; title and sufficiency of assets; tax matters; environmental matters; insolvency; due issuance and no orders.

Canndora, the Canndora Shareholders, Greeny and the Greeny Shareholders have provided to Kootenay representations and warranties that include the following: organization and authority relative to the Business Combination Agreement; organizational documents and corporate records; no conflict/required consents; capitalization; Subsidiaries and investments; financial statements; no undisclosed liabilities; indebtedness; absence of certain changes; material contracts; legal proceedings; compliance with laws; personal property; intellectual property; tax matters; environmental matters; employment matters; pension and employee benefits; affiliate transactions; directors and officers; insolvency and no broker. In addition, the Canndora Shareholders and the Greeny Shareholders have provided to Kootenay representations and warranties that include the following: authorization; ownership of Canndora and Greeny Common Shares, respectively, legal proceedings, insolvency and Kootenay Common Shares.

Covenants

Covenants of Canndora and Greeny

Pursuant to the Business Combination Agreements, Canndora and Greeny, and their respective shareholders, have covenanted and agreed that until the earlier of the Closing Date or the termination of the Business Combination Agreement pursuant to its terms, they will:

- (a) conduct their respective business only in the ordinary course;
- (b) use their commercially reasonable efforts to preserve intact the business organization and goodwill of their respective businesses, and maintain relationships with customers, clients and other persons having business dealings with their respective companies;
- (c) subject to compliance with applicable Laws, furnish to Kootenay and its authorized representatives such additional information relating to their respective companies or business as Kootenay may reasonably request;
- (d) promptly provide Kootenay with notice of certain events; and
- (e) subject to the terms and conditions of the Business Combination Agreement, use their respective commercially reasonable efforts to satisfy the conditions to Closing, and to cause the Closing to occur and to take, or cause to be taken, all actions, to file, or cause to be filed, all documents and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to complete and make effective, in the most expeditious manner practicable, the Amalgamation and Transactions.

Canndora and Greeny, and their respective shareholders, have agreed that during the period commencing on the date of the Business Combination Agreements and continuing until the earlier of the Closing Date or the termination of the Business Combination Agreement pursuant to its terms, they will not, without the prior written consent of Kootenay:

- (a) amend or otherwise change its organizational documents;
- (b) take any action that would permit any lien over any assets of their respective companies;
- (c) authorize, issue, sell or transfer any share capital or other equity interests of their respective companies or any securities convertible into or exercisable or exchangeable for share capital or other equity interests of their respective companies, or adjust, split or reclassify any share capital or other equity interests of their respective companies;
- (d) declare, set aside, make or pay any dividend or other distribution (whether in cash, stock or other property) in respect of any share capital or other equity interests of their respective companies;
- (e) merge or consolidate with any other person or acquire any business or assets of any other person (whether by merger, stock purchase, asset purchase or otherwise), or form any Subsidiary;
- (f) adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

- (g) make any material change in the operation of business, except such changes as may be required to comply with their respective Business Combination Agreement, Amalgamation Agreement or applicable Laws;
- (h) make, authorize or make any commitment with respect to, any single capital expenditure that is in excess of \$1,000 or capital expenditures that are, in the aggregate, in excess of \$5,000;
- (i) except in connection with operations in the ordinary course of business and upon terms not materially adverse of their respective companies, amend in any material respect, or terminate (other than in accordance with its terms) any contract material of their respective companies, or waive, release or assign any material rights or claims thereunder;
- (j) except in connection with operations in the ordinary course of business and upon terms not materially adverse of their respective companies, enter into any contract material of their respective companies: (i) that has a term of, or requires the performance of any obligations over a period in excess of one month; or (ii) that cannot be terminated without penalty on less than one (1) months' notice;
- (k) sell, lease (as lessor), transfer or otherwise dispose of, or mortgage, encumber, pledge or impose any lien on, any of its assets or properties, other than dispositions of immaterial assets or properties for fair value in the ordinary course of business;
- (l) create, incur, assume or guarantee any indebtedness, or extend or modify any existing indebtedness;
- (m) make any loans, advances or capital contributions to, or investments in, any person (other than advances of expenses to employees of their respective companies in the ordinary course of business);
- (n) cancel any debts owed to, or waive any material claims or rights held by of their respective companies;
- (o) commence, settle or compromise any legal action by or against of their respective companies, other than settlements entered into in the ordinary course of business and requiring only the payment of monetary damages in an aggregate amount not to exceed \$1,000;
- (p) incur expenses (including legal or other professional fees) in excess of \$10,000 in the aggregate in connection with any ongoing, new or proposed legal action involving or relating of their respective companies, but excluding any expenses relating to the Transactions;
- (q) except as required by applicable Laws or any existing contract in effect on the date of the Business Combination Agreements: (i) institute or announce any increase in the compensation, bonuses or other benefits payable to any of its executive employees or consultants; (ii) enter into or amend any employment, consulting, severance or change of control agreement with any such person; or (iii) enter into or adopt any employee benefit plan;

- (r) enter into any transaction with any of its affiliates, except transactions that are at prices and on terms and conditions not less favorable of their respective companies than could be obtained on an arm's-length basis from unrelated third parties;
- (s) make any change in the accounting methods, principles or policies of their respective companies, other than any change required by applicable Laws or a change in GAAP;
- (t) fail to file any material tax return when due or pay any material tax when due (other than taxes being contested in good faith), or make or change any tax election;
- (u) fail to pay any accounts payable when due or within a reasonable period of time thereafter (other than amounts being contested in good faith) or fail to use commercially reasonable efforts to collect any accounts receivable when due;
- (v) fail to renew or otherwise keep in full force and effect any material license relating to their respective companies' business;
- (w) fail to use its best efforts to take all required steps and actions (including the payment of all fees and expenses) necessary to obtain, and maintain in good standing, any required licenses; or
- (x) enter into any contract with respect to any of the foregoing.

Covenants of Kootenay

Pursuant to the Business Combination Agreements, Kootenay has covenanted and agreed that until the earlier of the Closing Date or the termination of the Business Combination Agreement pursuant to its terms, it will:

- (a) conduct its business only in the ordinary course;
- (b) use its commercially reasonable efforts to preserve intact the business organization and goodwill of Kootenay's business and to maintain its relationships with customers, clients and other persons having business dealings with Kootenay;
- (c) subject to compliance with applicable Laws, furnish to Canndora and Greeny and their authorized representatives such additional information relating to Kootenay and its business as Canndora or Greeny may reasonably request; and
- (d) promptly provide Canndora and Greeny with notice of certain events.

Additional Covenants

Exclusivity

Canndora and Greeny, and their respective shareholders, have agreed that during the period commencing on the date of the Business Combination Agreements and continuing until the earlier of the Closing Date or the termination of the Business Combination Agreement pursuant to its terms, they will not, without the prior written consent of Kootenay:

- (a) solicit, initiate, encourage or accept any offer or proposal from any person (other than Kootenay and Canndora and Greeny's respective representatives) concerning any merger,

consolidation, sale or transfer of material assets, sale or transfer of any equity interests or other business combination involving their respective companies (an “**Acquisition Proposal**”);

- (b) engage in any discussions or negotiations with any person (other than the Kootenay and its respective representatives) concerning any Acquisition Proposal; or
- (c) furnish any non-public information concerning the business, properties or assets of their respective companies to any person (other than Kootenay and its respective representatives), except as required to comply with any applicable Laws or their respective Business Combination Agreement or except in the ordinary course of business.

Canndora, Greeny, the Greeny Shareholders and the Canndora Shareholders will (and will cause the directors, officers, employees, agents, representatives and affiliates acting on their behalf) to immediately cease and cause to be terminated all existing discussions, negotiations or other communications with any persons conducted heretofore with respect to any of the foregoing. The Greeny Shareholders and the Canndora Shareholders will immediately notify Kootenay in writing upon receipt by their respective companies or themselves of any proposal, offer or inquiry regarding an Acquisition Proposal, which notice will indicate in reasonable detail the identity of the person making such proposal, offer or inquiry and the terms and conditions of any such Acquisition Proposal.

Indemnifications

Pursuant to the Greeny Business Combination Agreement, the Greeny Shareholders each severally indemnify Kootenay and its affiliates, Greeny and its representatives and save them fully harmless against, and will reimburse them for, any damages arising from, in connection with or related in any manner whatsoever to any incorrectness in or breach of certain representations or warranties relating to intellectual property of Greeny, including damages arising from any act, omission or state of facts that occurred or existed prior to the Closing Date provided that party claiming an indemnity pursuant to the Greeny Business Combination Agreement delivers a claim notice within 24 months following the Closing Date. Notwithstanding the foregoing, in the event of fraud, a party claiming an indemnity pursuant to the Greeny Business Combination Agreement is entitled to deliver a claim notice at any time. The aggregate amount of all damages for which each Greeny Shareholder will be liable to Kootenay and its affiliates will not exceed the value of the Resulting Issuer Shares received by such person at Closing.

Pursuant to the Canndora Business Combination Agreement, the Canndora Shareholders each severally indemnify Kootenay and its affiliates, Canndora and its representatives and save them fully harmless against, and will reimburse them for, any damages arising from, in connection with or related in any manner whatsoever to any incorrectness in or breach of certain representations or warranties relating to intellectual property of Canndora, including damages arising from any act, omission or state of facts that occurred or existed prior to the Closing Date provided that party claiming an indemnity pursuant to the Canndora Business Combination Agreement delivers a claim notice within 24 months following the Closing Date. Notwithstanding the foregoing, in the event of fraud, a party claiming an indemnity pursuant to the Canndora Business Combination Agreement is entitled to deliver a claim notice at any time. The aggregate amount of all damages for which each Canndora Shareholder will be liable to Kootenay and its affiliates will not exceed the value of the Resulting Issuer Shares received by such person at Closing.

Treatment of Greeny Options and Greeny Warrants

At Closing, Kootenay will grant one (1) Resulting Issuer Option in exchange for each outstanding Greeny Option and issue one (1) Resulting Issuer Warrant in exchange for each outstanding Greeny Warrant.

Greeny Shares for Debt Transactions and Greeny Convertible Debt Transactions

At or prior to Closing, Greeny will settle certain debt of Greeny concurrently with or prior to Closing by the issuance of 420,758 Resulting Issuer Shares to debtholders of Greeny pursuant to the Greeny Shares for Debt Transactions and issue the Greeny Convertible Debt Instruments which provide for the conversion of such Greeny Convertible Debt Instruments, at the option of the holder, for up to an aggregate maximum of 563,385 Resulting Issuer Shares at a conversion price of approximately \$1.15 per Resulting Issuer Share.

Termination

The Business Combination Agreements may, at any time prior to Closing, be terminated by:

- (a) mutual agreement of the respective parties (and in the case of Canndora or Greeny, the respective Representative of Canndora or Greeny);
- (b) by Kootenay in the event of a material breach of any representation, warranty, covenant or agreement of the Canndora, a Canndora Shareholder, Greeny or a Greeny Shareholder, as applicable, contained in the respective Business Combination Agreement, and the failure of the breaching party to cure such breach within five (5) Business Days after receipt of written notice from Kootenay requesting such breach to be cured; provided, however, that there will be no right to terminate if such breach was caused, in whole or in part, by a material breach by Kootenay or SubCo;
- (c) by Canndora or Greeny, as applicable, in the event of a material breach of any representation, warranty, covenant or agreement of Kootenay or SubCo contained in the respective Business Combination Agreement and the failure of Kootenay or SubCo to cure such breach within five (5) Business Days after receipt of written notice from Canndora or Greeny, as applicable, requesting such breach to be cured; provided, however, that there will be no right to terminate if such breach was caused, in whole or in part, by a material breach by Canndora, a Canndora Shareholder, Greeny or a Greeny Shareholder, as applicable;
- (d) by either Kootenay, Canndora or Greeny, as applicable, if any Governmental Authority will have issued a final and non-appealable order, decree or judgment permanently restraining, enjoining or otherwise prohibiting the completion of the Transactions or any Governmental Authority has refused to provide a consent or approval set forth, or required by the terms of the respective Business Combination Agreement; or
- (e) by either Kootenay, Canndora or Greeny, as applicable, if the Closing will not have occurred on or before August 31, 2020 (or such later date as may be agreed to in writing by the respective parties) and, in the case of Canndora or Greeny, the respective Representative of Canndora or Greeny, as applicable; provided, however, that the right to terminate the respective Business Combination Agreement in the aforementioned circumstances will not be available to any party whose failure to fulfill any obligation under, or breach of any provision of, the respective Business Combination Agreement will have been the cause of, or will have resulted in, the failure of the Closing to occur on or before the applicable date.

Expenses

All fees, costs and expenses incurred in connection with the Business Combination Agreements shall be paid by the Party incurring such fees, costs or expenses.

THE LIFTED SUPPORT AGREEMENT

The following is a summary of certain material terms of the Lifted Support Agreement. This summary does not contain all of the information about the Lifted Support Agreement or the Lifted Take-over Bid and is qualified in entirety by the full text of the Lifted Support Agreement and the Lifted Take-over Bid Circular. Therefore, Shareholders should read the Lifted Support Agreement and the Lifted Take-over Bid Circular (filed on www.sedar.com under Kootenay's profile) carefully and in their entirety, as the rights and obligations of Kootenay and Lifted are governed by the express terms of the Lifted Support Agreement and the Lifted Take-over Bid Circular and not by this summary or any other information contained in this Circular. Capitalized terms in this section that are not defined in this Circular have the meaning ascribed in the Lifted Support Agreement.

The Offer

Kootenay and Lifted executed the Lifted Support Agreement on June 23, 2020 reflecting the adoption of the Offer as a means of effecting the acquisition of the Lifted Common Shares and Lifted Options.

Kootenay has agreed to make the Offer on the terms and conditions set out in the Lifted Support Agreement, as fully described in the Offer.

Subject to the terms and conditions of the Lifted Support Agreement, Kootenay agreed to promptly make the Offer to purchase all of the outstanding Lifted Common Shares and Lifted Options for the Offer Consideration. Under the Offer, each Lifted Shareholder is entitled to receive one (1) Resulting Issuer Share in respect of each Lifted Common Share held, and each holder of Lifted Options is entitled to receive one (1) Resulting Issuer Option for each Lifted Option held (collectively, the "**Offer Consideration**"). Resulting Issuer Shares issued to Lifted Shareholders pursuant to the Lifted Take-over Bid will be subject to a contractual hold period of four (4) months plus one (1) day from the closing of the Transactions. Each Resulting Issuer Option issued in exchange for a Lifted Option tendered under the Offer shall expire on the later of (i) the expiry date of the Lifted Option for which such Resulting Issuer Option is exchanged, and (ii) twelve (12) months after the date of the Closing. Kootenay is not required to make the Offer in any jurisdiction where it would be illegal to do so.

Provided that all of the conditions to the Offer set out in the Lifted Support Agreement shall have been satisfied or, where permitted, waived, Kootenay shall take up and pay for all of the Lifted Common Shares and Lifted Options deposited under the Offer promptly and, in any event, not later than three Business Days following the time at which Kootenay becomes entitled to take up such Lifted Common Shares and Lifted Options under the Offer pursuant to applicable Securities Laws.

Kootenay may not amend, supplement or change any term or condition of the Offer without the prior written consent of Lifted, not to be unreasonably withheld, except to extend the Offer subject to the restrictions contained in the Lifted Support Agreement or increase the Offered Consideration. Kootenay may, in its sole discretion, waive any term or condition of the Offer, provided that Kootenay shall not waive the Minimum Tender Condition.

Representations and Warranties

The Lifted Support Agreement contains representations and warranties made by Lifted to Kootenay and representations and warranties made by Kootenay to Lifted. Those representations and warranties were made solely for purposes of the Lifted Support Agreement and may be subject to important qualifications, limitations and exceptions agreed to by the parties in connection with negotiating its terms. In particular, some of the representations and warranties are subject to a contractual standard of materiality or material adverse effect different from that generally applicable to public disclosure, or are used for the purpose of allocating risk between the parties to the Lifted Support Agreement. For the foregoing reasons, you should not rely on the representations and warranties contained in the Lifted Support Agreement as characterizations of the actual state of facts of Lifted, Kootenay or any of their respective Subsidiaries or affiliates.

The representations and warranties provided by Kootenay in favour of Lifted relate to, among other things: organization and corporate power and authority; authority relative to the Lifted Support Agreement; no conflicts, required filings and consents; Subsidiaries; compliance with Laws; capitalization; financial statements and auditor; undisclosed liabilities; absence of unusual transactions; regulatory matters, non-compliance, absence of certain changes or events; litigation; taxes; books and records; non-arm's length transactions; restrictions on business activities; material contracts; relationships with customers, suppliers, distributors and sales representatives; product recalls; sufficient funds; share ownership; knowledge; compliance with material filings; forward-looking information; reporting issuer status; reporting issuer status and securities laws matters; no cease trade orders; registration rights and brokerage fees.

The representations and warranties provided by Lifted in favour of Kootenay relate to, among other things: organization and corporate power and authority; authority relative to the Lifted Support Agreement; no conflicts, required filings and consents; Subsidiaries; compliance with Laws, licenses and product authorizations; capitalization; shareholder and similar agreements; financial statements; undisclosed liabilities; interest in properties; employment matters; intellectual property rights; regulatory matters; non-compliance; absence of certain changes or events; litigation; taxes; books and records; non-arm's length transactions; pension and employee benefits; environmental; restrictions on business activities; material contracts; relationships with customers, suppliers, distributors and sales representatives; and product recalls.

Conduct of Business of Lifted

Lifted has made certain covenants to Kootenay, including that, until the earlier of the Effective Date and the time that the Lifted Support Agreement is terminated in accordance with its terms, unless otherwise set out in the Lifted Support Agreement or consented to in writing by Kootenay:

- (a) the businesses of Lifted and its Subsidiaries will be conducted only in the ordinary course of business;
- (b) Lifted and its Subsidiaries will not directly or indirectly, except for transactions involving amounts which, individually or in the aggregate, do not exceed \$50,000:
 - (i) issue, sell, award, pledge, dispose of, encumber or agree to issue, sell, award, pledge, dispose of or encumber any Lifted Common Shares, or any options, calls, conversion privileges or rights of any kind to acquire any Lifted Common Shares or other securities or any shares of its Subsidiaries;

- (ii) except in the ordinary course of business consistent with past practice, sell, pledge, lease, dispose of, encumber or agree to sell, pledge, dispose of or encumber any assets of Lifted or any of its Subsidiaries or any interest in any asset of Lifted or any of its Subsidiaries that, in either case, has a value greater than \$50,000;
- (iii) amend or propose to amend the articles, by-laws or other constating documents of Lifted or any of its Subsidiaries;
- (iv) split, combine or reclassify any outstanding Lifted Common Shares;
- (v) redeem, purchase or offer to purchase any Lifted Common Shares or other securities of Lifted or any shares or other securities of its Subsidiaries;
- (vi) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Lifted Common Shares except for dividends paid in the ordinary course of business consistent with past practice and for dividends by any Subsidiary of Lifted to Lifted or another Subsidiary of Lifted;
- (vii) reorganize, amalgamate or merge Lifted or any of its Subsidiaries with any other Person;
- (viii) reduce the stated capital of the shares of Lifted or of any of its Subsidiaries;
- (ix) acquire or agree to acquire (by merger, amalgamation, acquisition of stock or assets or otherwise) any person, or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries), property transfer or purchase of any property or assets of any other person, that has a value greater than \$50,000 other than acquisitions in the ordinary course of business consistent with past practice;
- (x) enter into, directly or indirectly, an investment in or acquisition of, whether individually or with any other person, any asset or an interest in any asset that has a value greater than \$50,000, provided however that Lifted may make such investments in short term investment grade instruments consistent with past practice;
- (xi) incur or commit to incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities, except for the borrowing of working capital in the ordinary course of business, or guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other person or make any loans or advances, except in the ordinary course of business consistent with past practice;
- (xii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Lifted or any of its Subsidiaries;
- (xiii) pay, discharge or satisfy any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Lifted's financial statements or incurred in the ordinary course of business consistent with past practice;

- (xiv) authorize, recommend or propose any release or relinquishment of any contractual right except where such release or relinquishment would not reasonably be expected to result in a material adverse effect of Lifted; or
 - (xv) waive, release, grant or transfer any rights of value or modify or change any existing licence, lease, contract or other document, except where such waiver, release, grant, transfer, modification or change would not reasonably be expected to result in a material adverse effect of Lifted;
- (c) Lifted will not, and will cause each of its Subsidiaries not to, except in the ordinary course of business consistent with past practice:
- (i) increase the fringe benefits payable or to become payable to its directors or officers (whether from Lifted or any of its Subsidiaries); or enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of Lifted or member of the Lifted Board; other than pursuant to agreements already entered into as disclosed to Kootenay; or
 - (ii) in the case of employees who are not officers of Lifted or members of the Lifted Board, take any action other than in the ordinary course of business and consistent with past practice (none of which actions shall be unreasonable or unusual) with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date of the Lifted Support Agreement;
- (d) except in the ordinary course of business consistent with past practice, Lifted will not, and will cause each of its Subsidiaries not to, establish, adopt, enter into, amend or waive any performance or vesting criteria or accelerate vesting, exercisability or funding under any bonus, profit sharing, incentive, compensation, stock option, restricted stock, pension, retirement, deferred compensation, savings, welfare, employment, termination, severance or other employee benefit plan, agreement, trust, fund, policy or arrangement for the benefit or welfare of any directors, officers, current or former employees of Lifted or its Subsidiaries;
- (e) Lifted will:
- (i) use reasonable commercial efforts, and cause each of its Subsidiaries, to preserve intact their respective business organizations and goodwill, to keep available the services of its and their officers and employees as a group and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with them;
 - (ii) not take any action, or permit any of its Subsidiaries to take any action, which would render, or which reasonably may be expected to render, any representation or warranty made by it in the Lifted Support Agreement untrue in any material respect;
 - (iii) promptly notify Kootenay orally and in writing of the occurrence of any material adverse effect of Lifted, in the normal course of its or any of its Subsidiaries' businesses or in the operation of its or any of its Subsidiaries properties and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same are being contemplated);

- (iv) not enter into any agreement, contract, lease, license or other binding obligation of Lifted or its Subsidiaries: (A) containing (1) any material limitation or restriction on the ability of Lifted or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Kootenay or its Subsidiaries, to engage in any type of activity or business, (2) any material limitation or restriction on the manner in which, or the localities in which, all or any material portion of the business of Lifted or its Subsidiaries or, following consummation of the transactions contemplated hereby, all or any material portion of the business of Kootenay or its Subsidiaries, is or would be conducted, or (3) any material limit or restriction on the ability of Lifted or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Kootenay or its Subsidiaries to solicit customers or employees, (B) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by the Lifted Support Agreement, or (C) that involves or would reasonably be expected to involve payments outside the ordinary course of business that are in excess of \$50,000 in the aggregate over the term of the contract and that is not terminable within 30 days following the Effective Date without payment by Kootenay or its Subsidiaries;
 - (v) not incur any capital expenditures or enter into any agreement obligating Lifted or its Subsidiaries to provide for future capital expenditures outside the ordinary course of business that involve payments in excess of \$50,000 in the aggregate;
 - (vi) not pay, discharge, settle or compromise any claim, action, litigation, arbitration or proceeding, other than any such payment, discharge, settlement or compromise in the ordinary course of business consistent with past practice requiring a monetary payment by Lifted not in excess of \$50,000 in the aggregate; and
 - (vii) not initiate or facilitate the filing with any securities commission or other Governmental Entity of a final prospectus in respect of the securities of Lifted without Kootenay's prior written consent;
- (f) Lifted and each of its Subsidiaries will:
- (i) duly and timely file all material Tax Returns required to be filed by it on or after the date hereof and all such Tax Returns will be true, complete and correct in all material respects;
 - (ii) timely withhold, collect, remit and pay all material Taxes which are to be withheld, collected, remitted or paid by it to the extent due and payable;
 - (iii) not make or rescind any material express or deemed election relating to Taxes;
 - (iv) not make a request for a Tax ruling or enter into any material agreement with any taxing authorities or consent to any material extension or waiver of any limitation period with respect to Taxes;
 - (v) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes that requires a payment by Lifted or any of its Subsidiaries in excess of \$50,000; and

- (vi) not change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its past income Tax Returns, except as may required by applicable Laws; and
- (g) Lifted will not authorize or enter into or modify any contract, agreement, commitment or arrangement, to do any of the matters prohibited by the other paragraphs set out in the foregoing.

Covenants of Kootenay

Kootenay has made certain covenants to Lifted, including that, until the earlier of the Effective Date and the time that the Lifted Support Agreement is terminated in accordance with its terms, whichever is earlier:

- (a) it will use reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions of the Offer set forth in Schedule A to the Lifted Support Agreement, to the extent the same is within its control, and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Offer in accordance with the terms thereof;
- (b) it will make or cooperate as necessary in the making of all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated herein and take all reasonable action necessary to be in compliance with such Laws;
- (c) it will give effect to the Consolidation prior to the Expiry Time; or all steps in respect of the Consolidation will have been completed, except for the commencement of trading on a post-Consolidation basis;
- (d) it will make commercially best efforts to complete the Financing prior to the Expiry Date; or all steps in respect of the Financing will have been completed, except for the actual closing of the Financing;
- (e) it will, and will cause each of its Subsidiaries to, conduct its and their respective businesses only in, not take any action except in, and maintain their respective facilities in the ordinary course of business consistent with past practice except as may be required in order to comply with the terms of the Lifted Support Agreement;
- (f) without limiting the generality of Subsection (e) above, and except (A) as otherwise required or contemplated by the Lifted Support Agreement or in connection with the Transactions, and (B) for transactions involving Kootenay and one or more wholly-owned Subsidiaries or between wholly-owned Subsidiaries, Kootenay will not directly or indirectly do, and will cause each of its Subsidiaries not to:
 - (i) issue, sell, award, pledge, dispose of, encumber or agree to issue, sell, award, pledge, dispose of or encumber any Kootenay Common Shares, or any options, calls, conversion privileges or rights of any kind to acquire any Kootenay Common Shares or other securities or any shares of its Subsidiaries;
 - (ii) except in the ordinary course of business consistent with past practice, sell, pledge, lease, dispose of, encumber or agree to sell, pledge, dispose of or encumber any assets of Lifted or any of its Subsidiaries or any interest in any asset of Lifted or any of its Subsidiaries;

- (iii) amend or propose to amend the articles, by-laws or other constating documents of Kootenay or any of its Subsidiaries;
- (iv) split, combine or reclassify any outstanding Kootenay Common Shares;
- (v) redeem, purchase or offer to purchase any Kootenay Common Shares or other securities of Kootenay or any shares or other securities of its Subsidiaries;
- (vi) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Kootenay Common Shares except for dividends paid in the ordinary course of business consistent with past practice and for dividends by any Subsidiaries of Kootenay to Kootenay or another Subsidiary of Kootenay;
- (vii) reorganize, amalgamate or merge Kootenay or any of its Subsidiaries with any other person;
- (viii) reduce the stated capital of the shares of Lifted or of any of its Subsidiaries;
- (ix) acquire or agree to acquire (by merger, amalgamation, acquisition of stock or assets or otherwise) any person, or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries), property transfer or purchase of any property or assets of any other person;
- (x) enter into, directly or indirectly, an investment in or acquisition of, whether individually or with any other Person, any asset or an interest in any asset;
- (xi) incur or commit to incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities, except for the borrowing of working capital in the ordinary course of business, or guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other person or make any loans or advances, except in the ordinary course of business consistent with past practice;
- (xii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Kootenay or any of its Subsidiaries;
- (xiii) other than the Kootenay Shares for Debt Transactions, pay, discharge or satisfy any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Kootenay's financial statements or incurred in the ordinary course of business consistent with past practice;
- (xiv) authorize, recommend or propose any release or relinquishment of any contractual right except where such release or relinquishment would not reasonably be expected to result in a material adverse effect of Kootenay; or
- (xv) waive, release, grant or transfer any rights of value or modify or change any existing licence, lease, contract or other document, except where such waiver, release, grant, transfer, modification or change would not reasonably be expected to result in a material adverse effect of Kootenay;

- (g) Kootenay will not, and will cause each of its Subsidiaries not to, except in the ordinary course of business consistent with past practice:
 - (i) increase the fringe benefits payable or to become payable to its directors or officers (whether from Kootenay or any of its Subsidiaries); or enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of Kootenay or member of the Kootenay Board; other than pursuant to agreements already entered into as disclosed to Lifted; or
 - (ii) in the case of employees who are not officers of Kootenay or the Kootenay Board, take any action other than in the ordinary course of business and consistent with past practice (none of which actions will be unreasonable or unusual) with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date hereof;
- (h) except in the ordinary course of business consistent with past practice, Kootenay will not, and will cause each of its Subsidiaries not to, establish, adopt, enter into, amend or waive any performance or vesting criteria or accelerate vesting, exercisability or funding under any bonus, profit sharing, incentive, compensation, stock option, restricted stock, pension, retirement, deferred compensation, savings, welfare, employment, termination, severance or other employee benefit plan, agreement, trust, fund, policy or arrangement for the benefit or welfare of any directors, officers, current or former employees of Kootenay or its Subsidiaries;
- (i) Kootenay will:
 - (i) use reasonable commercial efforts, and cause each of its Subsidiaries, to preserve intact their respective business organizations and goodwill, to keep available the services of its and their officers and employees as a group and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with them;
 - (ii) not take any action, or permit any of its Subsidiaries to take any action, which would render, or which reasonably may be expected to render, any representation or warranty made by it in the Support Agreement untrue in any material respect;
 - (iii) promptly notify Lifted orally and in writing of the occurrence of any material adverse effect of Kootenay, in the normal course of its or any of its Subsidiaries' businesses or in the operation of its or any of its Subsidiaries' properties and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same are being contemplated);
 - (iv) not enter into any agreement, contract, lease, license or other binding obligation of Kootenay or its Subsidiaries;
 - (v) not incur any capital expenditures or enter into any agreement obligating Kootenay or its Subsidiaries to provide for future capital expenditures outside the ordinary course of business;

- (vi) not pay, discharge, settle or compromise any claim, action, litigation, arbitration or proceeding, other than any such payment, discharge, settlement or compromise in the ordinary course of business consistent; and
 - (vii) not initiate or facilitate the filing with any securities commission or other Governmental Entity of a final prospectus in respect of the securities of Kootenay without Lifted's prior written consent;
- (j) Kootenay and each of its Subsidiaries will:
- (i) duly and timely file all material tax returns required to be filed by it on or after the date hereof and all such tax returns will be true, complete and correct in all material respects;
 - (ii) timely withhold, collect, remit and pay all material taxes which are to be withheld, collected, remitted or paid by it to the extent due and payable;
 - (iii) not make or rescind any material express or deemed election relating to taxes;
 - (iv) not make a request for a tax ruling or enter into any material agreement with any taxing authorities or consent to any material extension or waiver of any limitation period with respect to taxes;
 - (v) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to taxes that requires a payment by Kootenay or any of its Subsidiaries in excess of \$10,000; and
 - (vi) not change any of its methods of reporting income, deductions or accounting for income tax purposes from those employed in the preparation of its past income tax returns, except as may required by applicable Laws;
- (k) Kootenay will not authorize or enter into or modify any contract, agreement, commitment or arrangement, to do any of the matters prohibited by the other paragraphs above; and
- (l) Kootenay will perform any obligations, actions or covenants as set out above.

Mutual Covenants

Each of Lifted and Kootenay, as promptly as practicable after the execution and delivery of the Lifted Support Agreement, will (i) make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to make and consummate the Offer, (ii) use all its commercially reasonable efforts to obtain, or cause to be obtained, and secure all Appropriate Regulatory Approvals; and (iii) use all commercially reasonable efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfil its obligations under the Lifted Support Agreement including fulfilling as soon as is practicable any reasonable requests for additional information. Subject to any applicable laws, the parties will coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, without limitation, providing each other with all notices and information supplied or filed with any Governmental Entity (except for notices and information which Lifted or Kootenay, in each case acting reasonably, considers confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Entity.

Each of Lifted and Kootenay will use commercially reasonable efforts to obtain the Appropriate Regulatory Approvals within 75 days from the date of the Lifted Support Agreement.

Nothing in the foregoing paragraphs will oblige any party to disclose to another party any written communications or information which that party, acting reasonably, considers to be confidential and sensitive in nature, provided that arrangements will be made among the parties and their counsel as necessary for any such confidential written communications or information to be exchanged on a "counsel only" basis.

Indemnifications

Lifted and Kootenay agree that all rights to indemnification existing in favour of the present and former directors and officers of Lifted (each such present or former director or officer of Lifted being herein referred to as an "**Indemnified Party**" and such persons collectively being referred to as the "**Indemnified Parties**") will survive and will continue in full force and effect and without modification, and Lifted and any successor to Lifted will continue to honour such rights of indemnification and indemnify the Indemnified Parties pursuant thereto, with respect to actions or omissions of the Indemnified Parties occurring prior to the date on which Kootenay first pays for the Lifted Common Shares deposited under the Offer, for six years following such date.

The provisions under this section are intended for the benefit of, and will be enforceable by, each Indemnified Party, his or her heirs and his or her legal representatives and, for such purpose Lifted confirms that it is acting as trustee on their behalf, and agrees to enforce the provisions of Section 5.4 of the Lifted Support Agreement on their behalf. Furthermore, these indemnifications will survive the termination of the Lifted Support Agreement as a result of the occurrence of and event giving rise to a termination event under the Lifted Support Agreement prior to the Effective Date for a period of six years.

Extension of the Offer

Each of Lifted and Kootenay acknowledge that if prior to the Expiry Date Kootenay becomes aware that any conditions of the Offer are unlikely to be satisfied or performed prior to the Expiry Date, it may, prior to such date, in accordance with applicable laws, extend the period during which Lifted Common Shares and Lifted Options may be deposited under the Offer, subject to the termination provisions in the Lifted Support Agreement.

Conditions of the Offer

Subject to the provisions of the Lifted Support Agreement, Kootenay has the right to withdraw the Offer and will not be required to take up, purchase or pay for, and will have the right to extend the period of time during which the Offer is open and postpone taking up and paying for, any Lifted Common Shares and Lifted Options deposited under the Offer unless all of the following conditions are satisfied or waived by Kootenay at or prior to the Expiry Time:

- (a) the Minimum Tender Condition;
- (b) the conditional approval of the CSE for the Transactions will have been obtained;
- (c) the Financing will have closed; or all steps in respect of the Financing shall have been completed, except for the actual closing of the Financing;

- (d) Kootenay will have obtained the requisite approval of the Shareholders of the Transactions at a meeting duly called for such purpose;
- (e) Canndora Shareholders will have approved, by written consent resolution or by special resolution (as such term is defined in the BCBCA), the amalgamation of Canndora with Kootenay or one of its Subsidiaries pursuant to the Transactions;
- (f) Greeny Shareholders will have approved, by written consent resolution or by special resolution (as such term is defined in the BCBCA), the amalgamation of Greeny with Kootenay or one of its Subsidiaries pursuant to the Transactions;
- (g) all government or regulatory approvals, waiting or suspensory periods, waivers, permits, consents, reviews, orders, rulings, decisions, and exemptions required by law, including, without limitation, those required by any provincial securities authorities, stock exchanges or other securities regulatory authorities, will have been obtained on terms satisfactory to the Offeror, acting reasonably;
- (h) no act, action, suit or proceeding will have been taken before or by any Governmental Entity (including, without limitation, any individual, company, firm, group or other entity) in Canada or elsewhere, whether or not having the force of Law, and no Law will have been proposed, enacted, promulgated or applied, in either case:
 - (i) to cease trade, enjoin, prohibit or impose material and adverse limitations, damages or conditions on the purchase by or the sale to Kootenay of the Lifted Common Shares or the right of Kootenay to own or exercise full rights of ownership of the Lifted Common Shares; or
 - (ii) which, if the Offer were consummated, would reasonably be expected to have a material adverse effect of Lifted;
- (i) there will not exist any prohibition at Law against Kootenay making the Offer or taking up and paying for any Lifted Common Shares and Lifted Options deposited under the Offer;
- (j) there will not exist or have occurred a material adverse effect of Lifted; and
- (k) the Lifted Support Agreement will not have been terminated.

The foregoing conditions are for the exclusive benefit of Kootenay and may be asserted by Kootenay regardless of the circumstances giving rise to any such condition. Kootenay may, in Kootenay's sole discretion, waive any of the foregoing conditions, in whole or in part, at any time and from time to time, both before and after the Expiry Time, without prejudice to any other rights which Kootenay may have. The failure by Kootenay at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right and each such right will be deemed to be an ongoing right which may be asserted at any time and from time to time.

Lifted Convertible Debt Transactions

Lifted has entered into certain convertible promissory notes pursuant to the Lifted Convertible Debt Transactions which provide for the conversion of such Lifted Convertible Debt, at the option of the holder, into such number of Resulting Issuer Shares equal to a maximum of 1,027,352 Resulting Issuer Shares (assuming a market price of \$1.15 per Resulting Issuer Share).

Termination

The Lifted Support Agreement may be terminated by notice in writing:

- (a) at any time prior to the date on which Kootenay first pays for the Lifted Common Shares deposited under the Offer by mutual consent of Kootenay and Lifted;
- (b) by Kootenay, if any condition to making the Offer in the Lifted Support Agreement is not satisfied or waived by the Offer Deadline (other than as a result of Kootenay's default thereunder);
- (c) by Kootenay, if at any time:
 - (i) Lifted will have breached any of its representations and warranties that are qualified by a reference to a material adverse effect, or if any such representations or warranties will have become untrue or incorrect after the date hereof (except to the extent that the knowledge of Kootenay at the date of the Lifted Support Agreement has identified the untruth or incorrectness of such representations and warranties at or prior to the date of the Lifted Support Agreement); or
 - (ii) Lifted will have breached in any material respect any of its representations and warranties, covenants or other agreements contained in the Support Agreement, or if any such representations or warranties will in any material respects have become untrue or incorrect after the date hereof (except to the extent that the knowledge of Kootenay at the date hereof has identified the untruth or incorrectness of such representations and warranties at or prior to the date of the Lifted Support Agreement);and any such breach or failure or failure to be true and correct is incapable of being cured by Lifted or is not cured within 30 days of written notice thereof;
- (d) by Kootenay, at any time if Lifted is in default of any covenant or obligation under the Lifted Support Agreement and such default is reasonably likely to prevent or materially delay consummation of the transactions contemplated by the Lifted Support Agreement;
- (e) by Lifted at any time if Kootenay is in breach of any of its representations or warranties or in default of any covenant or obligation under the Lifted Support Agreement and such breach or default has had or is reasonably likely to have a material adverse effect, or is reasonably likely to prevent or materially delay consummation of the transactions contemplated by the Lifted Support Agreement;
- (f) by Lifted, if, prior to the Expiry Time:
 - (i) the conditional approval of the CSE of the Transactions has not been obtained;
 - (ii) the Financing has not closed; or all steps in respect of the Financing have not been completed, except for the actual closing of the Financing;
 - (iii) Kootenay has not obtained the requisite approval of the shareholders of Kootenay of the Transactions at a meeting duly called for such purpose;

- (iv) the amalgamation of Canndora and Kootenay or its Subsidiary has not completed, or all steps in respect of such amalgamation have not been completed, except for the actual closing of such amalgamation;
- (v) the amalgamation of Greeny and Kootenay or its Subsidiary has not completed, or all steps in respect of such amalgamation have not been completed, except for the actual closing of such amalgamation;
- (vi) all government or regulatory approvals, waiting or suspensory periods, waivers, permits, consents, reviews, orders, rulings, decisions, and exemptions required by law, including, without limitation, those required by any provincial securities authorities, stock exchanges or other securities regulatory authorities, have not been obtained on terms satisfactory to Lifted, acting reasonably;
- (vii) an act, action, suit or proceeding has been taken before or by any Governmental Entity (including, without limitation, any individual, company, firm, group or other entity) in Canada or elsewhere, whether or not having the force of Law, or a Law shall have been proposed, enacted, promulgated or applied, in either case:
 - (A) to cease trade, enjoin, prohibit or impose material and adverse limitations, damages or conditions on the purchase by or the sale to Kootenay of the Lifted Common Shares or the right of Kootenay to own or exercise full rights of ownership of the Lifted Common Shares;
 - (B) to cease trade, enjoin, prohibit or impose material and adverse limitations, damages or conditions on the issuance of the Resulting Issuer Shares as contemplated in the Lifted Support Agreement; or
 - (C) which, if the Offer were consummated, would reasonably be expected to have a material adverse effect of Kootenay;
- (viii) there shall exist any prohibition at Law against Kootenay making the Offer or taking up and paying for the Lifted Common Shares deposited under the Offer or any material number of Lifted Common Shares deposited under the Offer;
- (ix) there shall exist or have occurred a material adverse effect of Lifted if:
 - (A) at the Expiry Time, all representations and warranties of Lifted in the Lifted Support Agreement: (A) that are qualified by a reference to material adverse effect of Lifted shall be true and correct in all respects; and (B) that are not qualified by a reference to a material adverse effect of Lifted shall be true and correct in all material respects;
 - (B) the Lifted Support Agreement shall not have been terminated; and
 - (C) Lifted shall have observed and performed its covenants in the Lifted Support Agreement in all material respects to the extent that such covenants were to have been observed or performed by Lifted at or prior to the Expiry Time.
- (g) by Lifted, if Kootenay has not taken up and paid for at least 50.1% of the outstanding Lifted Common Shares (on a fully diluted basis) under the Offer within 75 days after the Offer is

commenced, otherwise than as a result of the breach by Lifted of any covenant or obligation under the Lifted Support Agreement or as a result of any representation or warranty of Lifted in the Lifted Support Agreement being untrue or incorrect in any material respect; provided, however, that if Kootenay's take-up and payment for Lifted Common Shares and Lifted Options deposited under the Offer is delayed by (i) an injunction or order made by a court or regulatory authority of competent jurisdiction, or (ii) Kootenay not having obtained any regulatory waiver, consent or approval which is necessary to permit Kootenay to take up and pay for Lifted Common Shares and Lifted Options deposited under the Offer, then, provided that such injunction or order is being contested or appealed or such regulatory waiver, consent or approval is being actively sought, as applicable, the Lifted Support Agreement will not be terminated by Lifted until the earlier of (i) 120 days after the Offer is commenced and (ii) the fifth Business Day following the date on which such injunction or order ceases to be in effect or such waiver, consent or approval is obtained, as applicable;

- (h) by Kootenay if: (i) the Lifted Board withdraws, modifies or changes its recommendation in favour of the Offer in a manner adverse to Kootenay; (ii) the Lifted Board does not reaffirm its recommendation in favour of the Offer to the Lifted Shareholders in a press release or directors' circular within 15 days after the public announcement; or
- (i) by Lifted, if Kootenay does not commence the Offer and mail the Lifted Take-over Bid Circular and the accompanying letters of transmittal and notices of guaranteed delivery by the Offer Deadline.

Exclusivity

Lifted and Kootenay agree to cooperate with each other in good faith to complete the transactions outlined in the Lifted Support Agreement and until the Expiry Date and closing of the Transactions, unless the Lifted Support Agreement has been terminated in accordance with its terms. Lifted and Kootenay will not, directly or indirectly, through any officer, director, manager, employee, agent, partner, affiliate, independent contractor or otherwise (each a "**Representative**"), enter into any agreement in principle or other commitment (whether or not legally binding) relating to any business combination, financing, recapitalization, acquisition, or sale of all or a significant portion of the equity or assets of the respective parties or any similar transaction (an "**Alternative Transaction**"), or solicit, initiate or encourage the submission of any proposal or offer from any person or entity relating to any Alternative Transaction, nor participate in any ongoing discussions or negotiations regarding, or furnish to any other person or entity any information with respect to, or otherwise cooperate in any way with or assist or participate in, facilitate or encourage, any effort or attempt by any person or entity to effect an Alternative Transaction.

Expense Reimbursement

Each party will pay its own expenses incurred in connection with the Lifted Support Agreement, the completion of the transactions contemplated thereby and/or the termination of the Lifted Support Agreement, irrespective of the completion of the Transactions contemplated thereby.

THE LIFTED LOCK-UP AGREEMENTS

Kootenay has entered into lock-up agreements dated June 23, 2020 (the "**Lifted Lock-Up Agreements**") with certain securityholders of Lifted (the "**Lifted Locked-Up Securityholders**") who own, collectively approximately 61% of the outstanding Lifted Common Shares. Pursuant to the Lifted Lock-Up Agreements, the Lifted Locked-Up Securityholders have agreed, among other things, to (i) support the Offer and to cooperate in good faith with Kootenay to complete the transactions contemplated in the Support

Agreement; (ii) deposit their Lifted Common Shares and Lifted Options under the Offer and not to withdraw such Lifted Common Shares and Lifted Options; and (iii) not to solicit any Alternative Transactions. The Lifted Locked-Up Securityholders will not receive Offer Consideration of greater value for the Lifted Common Shares and Lifted Options they deposit under the Offer than that offered to the other Lifted Shareholders and Lifted Optionholders. Under the terms of the Lock-Up Agreements, Kootenay has acknowledged that any Locked-Up Securityholder who is also a director or officer of Lifted is bound under the Lifted Lock-Up Agreements only in such person's capacity as a Lifted Shareholder or Lifted Optionholder, and not in his or her capacity as a director or officer.

The Lifted Lock-Up Agreements require the Lifted Locked-Up Securityholders to support any Alternative Transaction that Kootenay concludes to be necessary or desirable on substantially equivalent or better terms and conditions as those contemplated by the Support Agreement, including the Offer. Accordingly, the Lifted Locked-Up Securityholder is required to validly tender his, her or its Lifted Common Shares and Lifted Options following their acceptance of the Offer. The Lifted Locked-Up Securityholders have agreed to not take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of the Transactions contemplated by the Support Agreement, and have agreed to cooperate to successfully complete the Transactions with Kootenay.

The Lock-Up Agreements require Kootenay to take all steps required of it to complete the Offer and cause the consideration to be made available to pay for the Lifted Common Shares and Lifted Options, in accordance with the Lifted Support Agreement and grant to the holders of Lifted Options one (1) Resulting Issuer Option in exchange for each Lifted Option held on the same terms as their Lifted Options, provided that such holder of Lifted Options agrees to cancel their existing Lifted Options in exchange for such Resulting Issuer Options.

The Lifted Lock-Up Agreements automatically terminate (i) upon the termination of the Lifted Support Agreement in accordance with its terms, or (ii) on the date on which Kootenay first pays for the Lifted Common Shares deposited under the Offer, whichever is the earliest to occur. In addition, the Lifted Lock-Up Agreement may be terminated at any time by mutual agreement of Kootenay and the Lifted Locked-Up Securityholder.

SECURITIES LAWS CONSIDERATIONS

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or business advice to any particular Shareholder. This summary does not include any information regarding securities law considerations for jurisdictions other than Canada. Shareholders are urged to obtain independent advice in respect of the consequences to them of the Transactions having regard to their particular circumstances.

The following is a brief summary of the Canadian Securities Laws considerations applicable to the Transactions and the transactions contemplated thereby.

Canadian Securities Laws

Kootenay is a reporting issuer in British Columbia, Alberta and Ontario. Kootenay Common Shares currently trade on the CSE under the symbol "ZNK", on the OTCQB under the symbol "KTNNF" and on the Frankfurt Stock Exchange under the symbol "KYH". As of May 19, 2020 (the date the Transactions were announced by Kootenay), the Kootenay Common Shares, in accordance with CSE policies, have been halt traded.

The Resulting Issuer Shares to be issued in exchange for Canndora, Greeny and Lifted pursuant to the Transactions will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. However, Resulting Issuer Shares issued to Greeny Shareholders and Lifted Shareholders pursuant to the Amalgamations and the Lifted Take-over Bid will be subject to a contractual hold period of four (4) months plus one (1) day from the closing of the Transactions. Certain of the Resulting Issuer Shares will also be subject to escrow conditions and applicable resale restrictions as required by applicable Securities Laws and CSE requirements. See *Appendix E – Information Concerning the Resulting Issuer – Escrowed Securities*. Subject to the foregoing, those Resulting Issuer Shares set forth above that are subject to a hold period of four (4) months plus one (1) day from the closing of the Transactions, certain disclosure and regulatory requirements, and to customary restrictions applicable to distributions of shares that constitute “control distributions”, Resulting Issuer Shares issued pursuant to the Transactions will be freely tradeable and may be resold in each province and territory in Canada.

INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS OF KOOTENAY IN THE TRANSACTIONS

Other than as disclosed herein, there is no material interests, direct or indirect, of current directors, executive officers any persons nominated for election as directors, or any Shareholders who beneficially owns, directly or indirectly, more than 10% of the outstanding Kootenay Common Shares, or any known associates or affiliates of such persons, in any transaction within the last financial year or in any proposed transaction which has materially affected or would materially affect Kootenay.

RISK FACTORS

Completion of the Transactions is subject to certain risks. In addition to the risk factors described in each of the Kootenay MD&A, which is specifically incorporated by reference into this Circular, the Canndora MD&A, the Greeny MD&A and the Lifted MD&A, attached hereto as Schedule B to Appendix B, C and D, respectively, and the risks described in Appendix B, C and D applicable to each of Canndora, Greeny and Lifted, respectively, the following are additional and supplemental risk factors which Shareholders should carefully consider before making a decision to approve the Transactions Resolution. Readers are cautioned that the risk factors referenced above and set forth below are not exhaustive.

Kootenay, Canndora, Greeny and Lifted may not satisfy all regulatory requirements or obtain the necessary approvals for completion of the Transactions on satisfactory terms or at all

Completion of the Transactions are subject to the satisfaction of certain regulatory requirements and the receipt of all necessary regulatory approvals, the Shareholder approval of the Transactions Resolution, the Minimum Tender Condition being met, and the approval of the CSE. There can be no certainty, nor can either party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Parties, or the trading price of Kootenay Common Shares, after completion of the Transactions. Moreover, if the Business Combination Agreements and the Lifted Support Agreement are terminated, there is no assurance that the Kootenay Board will be able to find another transaction to pursue.

The market price for Kootenay Common Shares may decline

If the Transactions Resolution is not approved by the Shareholders, the market price of the Kootenay Common Shares may decline. If the Transactions Resolution is not approved by the Shareholders, and

the Kootenay Board decides to seek another business combination, there can be no assurance that Kootenay will be able to find a transaction as attractive to Kootenay as the Transactions.

Kootenay, Canndora, Greeny and Lifted expect to incur significant costs associated with the Transactions

Kootenay, Canndora, Greeny and Lifted will collectively incur significant direct transaction costs in connection with the Transactions. Actual direct transaction costs incurred in connection with the Transactions may be higher than expected. In addition, certain of Kootenay, Canndora, Greeny and Lifted costs related to the Transactions, including legal, financial advisory services, accounting, auditing, depositary, printing and mailing costs, must be paid even if the Transactions are not completed.

If the Transactions are not completed, Kootenay's future business and operations could be harmed

If the Transactions are not completed, Kootenay may be subject to a number of additional material risks, including the following:

- (i) Kootenay may have lost other opportunities that would have otherwise been available had the Business Combination Agreements and the Lifted Support Agreement not been signed, including, without limitation, opportunities not pursued as a result of affirmative and negative covenants made by it in the Business Combination Agreements and the Lifted Support Agreement, such as covenants affecting the conduct of its business outside the ordinary course of business; and
- (ii) Kootenay may be unable to obtain additional sources of financing or conclude another sale, merger or amalgamation on as favourable terms as the Transactions, in a timely manner, or at all.

Kootenay has not verified the information regarding Canndora, Greeny or Lifted included in, or which may have been omitted from, this Circular

All information regarding Canndora, Greeny or Lifted contained in this Circular, including all Canndora, Greeny or Lifted financial information, has been provided by Canndora, Greeny or Lifted respectively. Although Kootenay has no reason to doubt the accuracy or completeness of such information, any inaccuracy or material omission in the information about or relating to Canndora, Greeny or Lifted contained in this Circular could result in unanticipated liabilities or expenses, increase the cost of integrating the companies or adversely affect operational plans and results of operations and financial condition.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally, by email or other internet platforms, or by telephone by directors, officers, consultants and regular employees of Kootenay. Kootenay will bear all costs of this solicitation. Kootenay has arranged for intermediaries to forward the meeting materials to beneficial owners of Kootenay Common Shares held as of record by those intermediaries and the Company may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Record Date

The Kootenay Board have fixed July 27, 2020 as the Record Date for the determination of Shareholders entitled to receive notice of the Meeting. Shareholders of record on that date are entitled to vote at the Meeting.

Appointment of Proxyholder

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of Kootenay. **IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN EITHER OF THE PERSONS DESIGNATED IN THE PROXY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY STRIKING OUT THE NAMES OF MANAGEMENT’S NOMINEES AND INSERTING THE NAME OF THAT OTHER PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.** If your Kootenay Common Shares are held in physical form (i.e., paper form) and are registered in your name, then you are a Registered Shareholder. However, if, like most Shareholders, you keep your Kootenay Common Shares in a brokerage account, then you are a Beneficial Shareholder. The manner for voting is different for Registered Shareholders and Beneficial Shareholders. The instructions below should be read carefully by all shareholders.

Voting by Proxyholder

The management appointees named in the Proxy will vote or withhold from voting the Kootenay Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Kootenay Common Shares will be voted accordingly. The Proxy confers discretionary authority on the management appointees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote the Kootenay Common Shares represented by the Proxy in favour of each matter identified on the Proxy.

Notice and Access

The Company is not sending this Circular to registered or beneficial shareholders using “notice-and-access” as defined under NI 54-101.

Registered Shareholders

In light of the ongoing public health concerns related to COVID-19 and in order to comply with physical distancing measures imposed by the federal, provincial and municipal governments, only Registered Shareholders, non-registered Shareholders who have followed the procedures set forth in this Circular and their proxy holders, and any persons required or entitled by law to attend the Meeting, will be entitled to

attend the Meeting in person. **However, all such persons are encouraged NOT to attend but to vote on matters at the Meeting by proxy, appointing a management proxyholder to limit the number of attendees.** Shareholders are urged to complete and return a proxy or voting instruction form if they wish to vote at the Meeting.

Kootenay reserves the right to deny physical attendance at the Meeting to any person in order to enforce physical distancing measures (including, but not limited to, limiting the total number of attendees at the Meeting and denying entry to any person exhibiting symptoms of COVID-19). Shareholders who wish to attend the Meeting in person must provide notice beforehand by email to Ms. Charmaine Ho at cho@farris.com of their intention to attend in person to ensure that Kootenay can maintain physical distancing and comply with the then current direction and advice from federal, provincial and municipal levels of government. Requirements for physical distancing that are effective on the date of the Meeting will limit the number of Shareholders permitted to attend the Meeting in person. Each such Shareholder will be asked to complete a declaration regarding COVID-19 related health matters prior to being admitted to the Meeting. The declaration will require the Shareholder to confirm that:

- they have not been outside of Canada in the last 14 days;
- they do not share a household with someone who has been outside of Canada in the last 14 days;
- they have not, to their knowledge, been in close contact in the last 14 days with someone who has been diagnosed with COVID-19; and
- they are not suffering from any flu-like symptoms.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. (i) by mail using the enclosed return envelope; or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy.

In all cases, Registered Shareholders should ensure that the Proxy is received no later than 10:00 a.m. on August 25, 2020 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting.

Should you wish to contact Computershare, please refer to the following:

General Shareholder Inquiries:

By phone:	1-800-564-6253 (toll free North America – International (514) 982-7555) 1-888-838-1405 (broker queries)
By fax:	1-866-249-7775 (toll free North America – International (416) 263-9524)
By email:	service@computershare.com
By internet:	www.computershare.com . The investors section offers enrolment for self-service account management for Registered Shareholders through Investor Centre

By regular mail: Computershare Investor Services Inc.
 100 University Avenue, 8th Floor
 Toronto, Ontario, M5J 2Y1

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Kootenay Common Shares in their own name (“**Beneficial Shareholders**”). Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the Registered Shareholders of Kootenay Common Shares).

If Kootenay Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Kootenay Common Shares will not be registered in the shareholder’s name on the records of the Company. Such Kootenay Common Shares will more likely be registered under the names of the shareholder’s broker or an agent of that broker. In the United States, the vast majority of such Kootenay Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for “Objecting Beneficial Owners”) and those who do not object to the issuers of the securities they own knowing who they are.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their Kootenay Common Shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. in the United States and in Canada. Broadridge mails a voting instruction form (the “**Broadridge VIF**”) which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Kootenay Common Shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote Kootenay Common Shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Kootenay Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Kootenay Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Kootenay Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Kootenay Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Kootenay Common Shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the address of the registered office of the Company at 25th floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3, at any time up to and including the last Business Day that precedes the day of the Meeting or, if the Meeting is adjourned, the last Business Day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's Kootenay Common Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Kootenay Board has fixed July 27, 2020 as the Record Date for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Kootenay Common Shares voted at the Meeting.

As at the Record Date, there were 14,964,324 Kootenay Common Shares issued and outstanding, each carrying the right to one vote.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Kootenay Common Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare and will be available at the Meeting.

To the knowledge of the Kootenay Board and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, Kootenay Common Shares carrying 10% or more of the voting rights attached to all outstanding Kootenay Common Shares as at the Record Date.

Votes Necessary to Pass Resolutions

A simple majority of affirmative votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat is required to pass the resolution fixing the number of directors of Kootenay at four (4).

A special majority of 66 2/3% of affirmative votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat is required to pass the Transactions Resolutions described herein.

If there are more nominees for election as directors or appointment of Kootenay's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

INFORMATION CONCERNING KOOTENAY

Kootenay and SubCo

The full corporate name of Kootenay is "*Kootenay Zinc Corp.*". The head office and the registered office of Kootenay is located at 400 – 837 West Hastings Street, Vancouver, British Columbia V6C 3NG.

Kootenay was incorporated under the BCBCA on March 23, 2015 under the name "*1031216 B.C. Ltd.*". On June 15, 2015, Kootenay changed its name to "*Oceanside Capital Corp.*". On October 4, 2016, Kootenay changed its name to "*Kootenay Zinc Corp.*" Kootenay is a reporting issuer in British Columbia, Alberta and Ontario and trades on the Exchange under the symbol "ZNK", on the OTCQB under the symbol "KTNNF" and Frankfurt Stock Exchange under the symbol "KYH".

The full corporate name of SubCo is "*1251750 B.C. Ltd.*" The head office and the registered office of SubCo is located at 25th floor, 700 W. Georgia St., Vancouver, British Columbia V7Y 1B3.

SubCo was incorporated under the BCBCA on May 29, 2020, under the name "*1251750 B.C. Ltd.*" and is a wholly-owned Subsidiary of Kootenay.

General Development of the Business

Three Year History

Currently, Kootenay is an exploration stage company with no producing properties, and consequently has no current operating cash flow or revenues. Kootenay is currently focused on seeking new projects or business operations. Kootenay was historically engaged in the business of mineral exploration and development in British Columbia and specifically in the exploration and advancement of the Angus Property, which comprises an area of 1019 hectares located within the Victoria Mining Division of Vancouver Island. The Angus Property is an early stage gold and copper prospect within the Wrangellia Terrane which is prospective of porphyry-style mineral deposits. Upon Closing of the Transaction, the

Resulting Issuer intends to explore all options related the Angus Property but has no intention of exploring or otherwise using the Angus Property for mining purposes.

SubCo was incorporated on May 29, 2020 under the name "1251750 B.C. Ltd." for the purposes of completing the Transactions. SubCo has no operating history. Pursuant to the Amalgamations, it is intended that SubCo will amalgamate with Greeny and Canndora to form Amalco as the resulting entity to the Amalgamations, a wholly-owned subsidiary of the Resulting Issuer.

2018 Financial Year

On March 10, 2017, Kootenay's Common Shares began trading on the OTCQB under the symbol "KTNNF" and the Frankfurt Stock Exchange under the symbol "KYH1".

On October 12, 2017, Kootenay completed a non-brokered flow-through private placement for up to 10,000,000 flow-through units for gross proceeds \$500,000 at a price of \$0.05 per flow-through unit. Each flow-through unit consists of one flow-through share of Kootenay and one Kootenay Common Share purchase warrant. Each whole warrant is convertible into one Kootenay Common Share at a price of \$0.10 per Kootenay Common Share exercisable for a period of one year.

On November 8, 2017, the Kootenay Board appointed Von Torres as a director of Kootenay following the resignation of Jay Sujir and Hugh Rogers as directors of Kootenay.

On January 30, 2018, Kootenay consolidated all of its issued and outstanding Kootenay Common Shares on the basis of ten (10) pre-consolidation Kootenay Common Shares for every one (1) post-consolidation Kootenay Common Share.

On January 30, 2018, the Kootenay Board appointed Robert Tindall as a director and chief executive officer of Kootenay, following the resignation of David Schmidt as director and chief executive officer of Kootenay.

On February 2, 2018, Kootenay completed a non-brokered private placement for 4,500,000 units of Kootenay at a price of \$0.27 per unit for gross proceeds of \$1,215,000. Each unit consists of one Kootenay Common Share and one Kootenay Common Share purchase warrant. Each whole warrant is convertible into one Kootenay Common Share at a price of \$0.36 per Kootenay Common Share and exercisable for a period of one year.

2019 Financial Year

On June 28, 2018, Kootenay announced that it did not intend to pursue exploration of the Sully Property and terminated the Sully Option Agreement.

On November 26, 2018, the BCSC issued the Temporary Order against a certain group of people and entities, including Kootenay. The hearing was held on December 7, 2018. The case centered around share issuances by 11 CSE issuers (Kootenay being one of the named issuers in the order) between February 2018 and August 2018. The BCSC is investigating whether the respondents violated securities legislation by participating in a scheme that involves conduct abusive to the capital markets and the illegal distribution of securities. The scheme, as set out by the BCSC, involved listed companies issuing private placement shares without a prospectus. The issuances were done under an exemption normally reserved for consultants. Pursuant to the BCSC decision dated January 15, 2019, the Temporary Order has not been extended against Kootenay.

2020 Financial Year

On June 17, 2019, Kootenay appointed Tara Haddad and Usama Chaudhry as directors of Kootenay following the resignations of both Anthony Jackson and Von Torres as directors of Kootenay. Tara Haddad was also appointed as the chief financial officer of Kootenay, replacing Anthony Jackson.

On June 18, 2019, Kootenay appointed Davidson & Company LLP as the auditors of Kootenay following the resignation of Smythe LLP.

On July 26, 2019, in connection with the Temporary Order, Kootenay received notice that a class action lawsuit has been filed against Kootenay, former directors of Kootenay and certain others in the Supreme Court of British Columbia. The plaintiffs are seeking damages for various possible causes of action, including unlawful conspiracy, misrepresentation and secondary market misrepresentations. The claim has not been certified as a class action as at the date of this Circular. Kootenay is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

On September 12, 2019, Kootenay entered into the Angus Option Agreement with Longford to acquire a 100% interest in and to the Angus Property. Pursuant to the terms of the Angus Option Agreement, the option is exercisable by Kootenay by: (a) issuing certain Kootenay Common Shares to Longford, and (b) satisfying certain other obligations of Longford under the Angus Option Agreement.

On September 13, 2019, Kootenay appointed Tara Haddad as interim chief executive officer of Kootenay and Von Torres as a director of Kootenay, following the resignation of Robert Tindall as chief executive officer and director of Kootenay.

Recent Developments

On March 27, 2020, Kootenay completed a non-brokered private placement consisting of an issuance of (a) 1,400,000 non-flow-through Kootenay Common Shares at a price of \$0.05 per non-flow-through Kootenay Common Share for gross proceeds of \$70,000, and (b) 500,000 flow-through Kootenay Common Shares at a price of \$0.05 per flow-through Kootenay Common Share for gross proceeds of \$25,000.

On March 27, 2020, Kootenay completed a shares for debt transaction by issuing 1,200,000 Kootenay Common Shares at a deemed price of \$0.05 per Kootenay Common Share for outstanding debt of \$60,000.

Effective May 12, 2020, Kootenay appointed Dale Matheson Carr-Hilton Labonte LLP as the auditors of Kootenay to replace Davidson & Company LLP.

On May 18, 2020, Kootenay entered into a binding letter agreement with Canndora, Greeny and Lifted, as amended June 23, 2020, to effect a proposed business combination, which would result in a reverse takeover and change of business of Kootenay, with the resulting issuer continuing as a combination of the businesses of Canndora, Greeny and Lifted. On May 19, 2020, Kootenay issued a press release announcing the binding letter agreement, and in accordance with CSE's policies, the Kootenay Common Shares were halted.

On June 23, 2020, Kootenay entered into the Canndora Business Combination Agreement and the Greeny Business Combination Agreement whereby Kootenay agreed to acquire 100% of all of the issued and outstanding securities of Canndora and Greeny by way of the Amalgamations and entered into the Lifted Support Agreement whereby Kootenay agreed to make the Offer to acquire 100% of all of the Lifted

Common Shares and Lifted Options by way of the Lifted Take-over Bid. See “*Transactions – Summary of the Transactions*” and “*The Business Combination Agreements*” above for more detail.

On June 23, 2020, the Kootenay Board appointed Von Torres as interim chief executive officer and interim chief financial officer of Kootenay following the resignation of Tara Haddad as interim chief executive officer, chief financial officer and director of Kootenay.

On July 27, 2020, Kootenay made the Offer under the Lifted Take-over Bid. See “*Transactions – Summary of the Transactions*” and “*The Business Combination Agreements*” above for more detail.

Description of the Business of the Company

General

To date, Kootenay has operated as a mineral exploration company engaged in locating, acquiring, and exploring resource properties. The Transactions will constitute a “change of business” and a “fundamental change” under the CSE policies. See “*Information Concerning Kootenay – General Development of the Business*”.

Bankruptcy and Similar Procedures

There is no bankruptcy, receivership, or similar proceedings against Kootenay, nor is Kootenay aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by Kootenay within the three most recently completed financial years or completed or currently proposed for the current financial year.

INFORMATION CONCERNING CANNDORA

For information regarding Canndora, please refer to Appendix B.

INFORMATION CONCERNING GREENY

For information regarding Greeny, please refer to Appendix C.

INFORMATION CONCERNING LIFTED

For information regarding Lifted, please refer to Appendix D.

INFORMATION CONCERNING THE RESULTING ISSUER

For additional information regarding Resulting Issuer upon completion of the Transactions, please refer to Appendix E.

APPROVAL OF THE TRANSACTIONS RESOLUTIONS

The policies of the CSE consider the Transactions to be a “fundamental change” and a “change of business” as defined therein. The policies of the CSE require that a “fundamental change” and a “change of business” must be approved by the Shareholders prior to completion of the Transactions in order to qualify the Resulting Issuer Shares for Listing. Accordingly, at the Meeting, Shareholders will be asked to consider the Transactions Resolution to approve the Transactions.

To be effective, the Transactions Resolution must be approved by special majority of 66 2/3% of affirmative votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat.

AFTER CAREFUL CONSIDERATION, THE KOOTENAY BOARD HAS UNANIMOUSLY DETERMINED THAT THE TRANSACTIONS ARE FAIR TO THE SHAREHOLDERS, AND IS IN THE BEST INTERESTS OF KOOTENAY. THE KOOTENAY BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE TRANSACTIONS RESOLUTION.

Accordingly, the Shareholders are being asked at the Meeting to consider and, if thought appropriate, approve a special resolution (the “**Transactions Resolution**”), with or without variation, as follows:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The share consolidation (the “**Consolidation**”) to reduce the number of common shares of Kootenay issued and outstanding as more particularly described and set forth in the Management Information Circular of Kootenay dated July 29, 2020, is authorized and approved;
2. The acquisition of all the issued and outstanding common shares of Canndora Delivery Ltd. and Greeny Collaboration Group (Canada) Inc. by Kootenay, as more particularly described and set forth in the Management Information Circular of Kootenay dated July 29, 2020, is authorized and approved;
3. The business combination agreement dated June 23, 2020 among Kootenay, 1251750 B.C. Ltd., Canndora Delivery Ltd. and certain securityholders of Canndora Delivery Ltd. (the “**Canndora Business Combination Agreement**”) and all transactions contemplated thereby (the “**Canndora Amalgamation**”), and the performance by Kootenay of its obligations thereunder, is ratified and approved;
4. The business combination agreement dated June 23, 2020 among Kootenay, 1251750 B.C. Ltd., Greeny Collaboration Group (Canada) Inc. and certain securityholders of Greeny Collaboration Group (Canada) Inc. (the “**Greeny Business Combination Agreement**”) and all transactions contemplated thereby (the “**Greeny Amalgamation**”, and together with the Canndora Amalgamation, the “**Amalgamations**”), and the performance by Kootenay of its obligations thereunder, is ratified and approved;
5. The take-over bid (the “**Lifted Take-over Bid**”) for 100% of the issued and outstanding common shares and options of Lifted Innovations Inc. commenced on July 27, 2020, as more particularly described and set forth in the Management Information Circular of Kootenay dated July 29, 2020 and the take-over bid circular of Kootenay dated July 27, 2020 is ratified and approved;
6. The support agreement dated June 23, 2020 between Kootenay and Lifted Innovations Inc. (the “**Lifted Support Agreement**”) and all transactions contemplated thereby, and the performance by Kootenay of its obligations thereunder, is ratified and approved;
7. The actions of the directors of the Company in approving the Canndora Business Combination Agreement, the Greeny Business Combination Agreement and the Lifted Support Agreement and the actions of the directors and officers of the Company in executing and delivering such agreements and any amendments thereto in accordance with their terms are ratified and approved;

8. Notwithstanding that this resolution has been passed by the shareholders of Kootenay, the directors of Kootenay are authorized and empowered (a) to amend the Canndora Business Combination Agreement, the Greeny Business Combination Agreement or the Lifted Support Agreement to the extent permitted by such agreements, and (b) not to proceed with the Consolidation, Amalgamations or Lifted Take-over Bid at any time prior to the closing date of the transactions contemplated by these resolutions; and
9. Any officer or director is authorized and directed for and on behalf of the Company to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such authorization to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

Dissenting Shareholders' Rights

A holder of shares of any class of Kootenay is entitled to be paid the fair value of all, but not less than all, of the class of his, her or its securities in accordance with section 237 of the BCBCA if such holder dissents to the Transactions Resolutions (a "**Dissenting Shareholder**").

The following description of a Shareholder's dissent rights ("**Dissent Rights**") is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder and is qualified entirely by reference to the full text of Sections 237 to 247 of the BCBCA, annexed as Appendix F to this Circular. To the extent that any discrepancy arises between the description provided herein and the official text of the BCBCA, the statute shall be relied on exclusively.

In general, any Registered Shareholder who dissents from the Transactions Resolution in compliance with Sections 237 to 247 of the BCBCA will be entitled, in the event that the Transactions are completed, to be paid by Kootenay the fair value of the Kootenay Common Shares held by such Dissenting Shareholder (the "**Dissenting Shares**") determined as at the point in time immediately before the passing of the Transactions Resolution.

A Dissenting Shareholder shall, on the effective date of the closing of the Transactions (the "**Transactions Effective Date**"), and notwithstanding any provision of Sections 237 to 247 of the BCBCA, be deemed to have transferred the Dissenting Shares to Kootenay for cancellation and shall cease to have any rights as a holder of Kootenay Common Shares except for the entitlement to be paid fair value for such Kootenay Common Shares in accordance with these procedures governing the Dissent Rights ("**Dissent Procedures**"). In no event shall Kootenay be required to recognize a Dissenting Shareholder as a securityholder of Kootenay after the Transactions Effective Date. In addition, in accordance with the restrictions set forth in Sections 237 to 247 of the BCBCA, no Shareholder who has voted in favour of the Transactions Resolution shall be entitled to dissent.

A Dissenting Shareholder who, for any reason, does not properly fulfill each of the Dissent Procedures in accordance with the requirements set out herein, acts inconsistently with such dissent or who for any other reason is not entitled to be paid the fair value of the holder's Kootenay Common Shares shall be treated as if the Shareholder had participated in the Transactions on the same basis as a non-Dissenting Shareholder.

The filing of a Dissent Notice deprives a Dissenting Shareholder of the right to vote at the Meeting, except if such Dissenting Shareholder ceases to be a Dissenting Shareholder in accordance with the Dissent

Procedures. For greater certainty, a Shareholder who wishes to exercise the Dissent Right may not vote in favour of the Transactions Resolution.

A Shareholder who wishes to dissent must deliver a dissent notice (a “**Dissent Notice**”) to the registered and records office of Kootenay at 25th floor, 700 West Georgia Street, Vancouver, British Columbia, Attention: Corporate Secretary of Kootenay, not less than 48 hours prior to the time of the Meeting or any adjournments or postponements thereof. If a Dissenting Shareholder also holds a beneficial interest in Kootenay Common Shares, the registered owner of such Kootenay Common Shares must also dissent.

The Dissent Notice must set out the number of Kootenay Common Shares in respect of which the Dissent Notice is being sent and:

- (a) if such Dissenting Shares constitute all of Kootenay Common Shares of which the Dissenting Shareholder is both the registered and beneficial owner and the Dissenting Shareholder owns no other Kootenay Common Shares, a statement to that effect;
- (b) if such Dissenting Shares constitute all of Kootenay Common Shares of which the Dissenting Shareholder is both the registered and beneficial owner but if the Dissenting Shareholder owns additional Kootenay Common Shares beneficially, a statement to that effect and the names of the registered owners of such Kootenay Common Shares, the number of Kootenay Common Shares held by such registered owners and a statement that Dissent Notices have or will be sent with respect to such securities; or
- (c) if the Dissent Rights are being exercised by a registered owner who is not also the beneficial owner of such Dissenting Shares, a statement to that effect and the name of the beneficial owner and a statement that the registered owner is dissenting with respect to all Kootenay Common Shares of the beneficial owner registered in such registered owner’s name.

Kootenay is required, promptly after the later of: (a) the date on which Kootenay forms the intention to proceed with the Transactions; and (b) the date on which the Dissent Notice was received, to notify each Dissenting Shareholder of its intention to act on the Transactions. Kootenay expects that it will be in a position to deliver such notification on or before the Transactions Effective Date. Upon receipt of such notification, each Dissenting Shareholder is then required, if the Dissenting Shareholder wishes to proceed with the dissent, within one month after the date of such notice to send to Kootenay: (a) a written statement that the Dissenting Shareholder requires Kootenay to purchase all of its Kootenay Common Shares; (b) the certificates representing such Kootenay Common Shares; and (c) if the Dissent Right is being exercised by the Dissenting Shareholder on behalf of a beneficial owner who is not the registered owner, a statement to that effect and the name of the beneficial owner and a statement that the registered owner is dissenting with respect to all Kootenay Common Shares of the beneficial owner registered in such registered owner’s name. A Dissenting Shareholder who fails to send to Kootenay within the required time frame, the written statements described above and the certificates representing Kootenay Common Shares in respect of which the Dissenting Shareholder dissents, forfeits the Dissenting Shareholder’s right to dissent.

On sending the required documentation to Kootenay, the fair value for the Dissenting Shares will be determined as follows:

- (a) if Kootenay and a Dissenting Shareholder agree on the fair value of Kootenay Common Shares, then Kootenay must promptly pay that amount to the Dissenting Shareholder unless Kootenay is insolvent or payment would render Kootenay insolvent in which case it must

promptly send notice to the Dissenting Shareholder that Kootenay is lawfully unable to pay the Dissenting Shareholder for its Kootenay Common Shares; or

- (b) if a Dissenting Shareholder and Kootenay are unable to agree on a fair value, the Dissenting Shareholder may apply to the Court to determine the fair value of Kootenay Common Shares, and Kootenay must pay to the Shareholder the fair value determined by the Court unless Kootenay is insolvent or payment would render Kootenay insolvent in which case it must promptly send notice to the Dissenting Shareholder that Kootenay is lawfully unable to pay the Dissenting Shareholder for its Kootenay Common Shares.

If Kootenay is insolvent or would be rendered insolvent by making the payment to the Dissenting Shareholders, Dissenting Shareholders will have 30 days to elect to either: (a) withdraw their dissent and receive the consideration applicable to Shareholders under the Transactions; or (b) retain their status as a claimant and be paid as soon as Kootenay is lawfully able to do so or, in a liquidation, be ranked subordinate to its creditors but in priority to the Shareholders.

If the Transactions are not completed for any reason, Dissenting Shareholders will not be entitled to be paid the fair value for their Kootenay Common Shares, and such Kootenay Common Shares will not be deemed to be transferred to Kootenay.

The discussion above is only a summary of the Dissent Procedures which are technical and complex. A Shareholder who intends to exercise his or her Dissent Right should carefully consider and comply with the provisions of sections 237 to 247 of the BCBCA. Persons who are Non-Registered owners of Kootenay Common Shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such shares is entitled to dissent. It is suggested that any Shareholder wishing to avail himself, herself or itself of the Dissent Rights seek his, her or its own legal advice, as failure to comply strictly with the applicable provisions of the BCBCA may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time consuming and expensive process.

ANNUAL GENERAL MEETING MATTERS AND OTHER MATTERS

Presentation of Financial Statements

The audited consolidated financial statements of Kootenay for the twelve months ended February 29, 2020, together with the report of the auditors thereon, will be placed before the Meeting. Copies of the financial statements and related MD&A can be obtained by contacting the Corporate Secretary of Kootenay in writing at 400 - 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6. Copies of such documents will be provided to Shareholders free of charge. These documents are also available online at www.sedar.com.

Setting Number of Directors

The Kootenay Board proposes that the number of directors of the Kootenay Board be fixed at four (4). Shareholders will therefore be asked to approve an ordinary resolution that determines the number of directors to be elected be fixed at four (4).

The term of office of each of the current directors will end immediately before the election of directors at the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the BCBCA and the articles of Kootenay, each director elected will hold office until immediately before the election of

new directors at the next annual general meeting of Kootenay or, if no director is then elected, until a successor is elected or appointed.

Unless otherwise instructed, or such authority is withheld, management designees named in the accompanying proxy intend to vote the Kootenay Common Shares represented by proxies for which either of them is appointed proxyholder “FOR” the fixing of the number of directors of Kootenay at four (4).

The Kootenay Board recommends that the Shareholders vote “FOR” the fixing of the number of directors of Kootenay at four (4).

Election of Directors

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director’s office is earlier vacated in accordance with the provisions of the BCBCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Upon completion of the Transactions, Von Torres will resign from the Kootenay Board and as interim Chief Executive Officer and Chief Financial Officer and will be replaced with Marc Mulvaney (who will serve as Chief Executive Officer of the Resulting Issuer) and Ricardo De Barros. Kang Yau will also be appointed to the Resulting Issuer Board. Usama Chaudhry will remain on the Resulting Issuer Board and serve as Chief Financial Officer of the Resulting Issuer and Sean Duncombe will be appointed as the Chief Operating Officer of the Resulting Issuer.

The following table sets out the names of management’s nominees for election as a director, the province and country in which she is ordinarily resident, all major offices and positions with Kootenay and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of Kootenay and the number of Kootenay Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee, province and Country of Ordinary Residence and Positions Held with the Company	Principal Occupation, Business or Employment ⁽¹⁾	Director of the Company Since	Kootenay Common Shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly⁽¹⁾
Von Torres British Columbia, Canada <i>Interim CEO, CFO and Director</i>	Corporate management services to both private and public companies	September 9, 2019	--
Usama Chaudhry British Columbia, Canada <i>Director</i>	CPA	June 17, 2019	--

Notes:

- (1) The information as to principal occupation, business or employment and Kootenay Common Shares beneficially owned or controlled, or directed, directly or indirectly is not within the knowledge of Kootenay and has been furnished by the respective nominees. The number of Kootenay Common Shares disclosed under this column are presented on a pre-Consolidation basis.

The following are brief biographies of nominees for the position of director. This information has been furnished by the respective nominees.

Von Torres

Von Torres specializes in corporate management services to both private and public companies. He has extensive knowledge regarding the Canadian public and private medical marijuana sector and has been chief executive officer, and director on numerous boards of publicly listed companies.

Usama Chaudhry

Usama Chaudhry is an experienced businessman. Mr. Chaudhry sits on a number of public company boards and specializes in executive management services, including corporate development, investor relations, financial reporting, company filings, budgeting and overseeing corporate governance, while achieving company objectives and maintaining internal cost controls.

None of the proposed directors set forth above are to be elected under any arrangement or understanding between such proposed director and any other person or company, except the directors and officers of Kootenay acting solely in such capacity.

Except as disclosed below, to the best of Kootenay's knowledge, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director set forth above (or any of their personal holding companies) of the Company was a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Von Torres was a director of Kootenay which was subject to the Temporary Order dated November 26, 2018 and on January 15, 2019 such Temporary Order was not extended against the Company. See "*Information Concerning Kootenay – General Development of the Business – Three Year History*".

No director or executive officer is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director or executive officer of any corporation that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the relevant corporation being the subject of a cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

No director or executive officer of Kootenay or the proposed directors set forth above or a shareholder holding a sufficient number of securities of Kootenay to affect materially the control of Kootenay:

- (a) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including Kootenay, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors set forth above (or any of their personal holding companies) have been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (c) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for such proposed director.

Unless otherwise instructed, or such authority is withheld, management designees named in the accompanying proxy intend to vote the Kootenay Common Shares represented by proxies for which either of them is appointed proxyholder "FOR" each named nominee whose names are set forth herein.

The Kootenay Board recommends that the Shareholders vote "FOR" the election of the nominees whose names are set forth herein.

Appointment of Auditor

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, will be nominated at the Meeting for reappointment as independent auditor of the Company at a remuneration to be fixed by the Kootenay Board.

For more information concerning the Audit Committee and its members, see “*Audit Committee*” of this Circular below.

Unless otherwise instructed, or such authority is withheld, management designees named in the accompanying proxy intend to vote the Kootenay Common Shares represented by proxies for which either of them is appointed proxyholder “FOR” the re-appointment of Dale Matheson Carr-Hilton Labonte LLP as independent auditor of Kootenay for the ensuing year.

The Kootenay Board recommends that the Shareholders vote “FOR” the re-appointment of Dale Matheson Carr-Hilton Labonte LLP as independent auditor of Kootenay for the ensuing year.

Other Business

Kootenay management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not now known to Kootenay shall properly come before the said Meeting, the Form of Proxy given pursuant to the solicitation by management will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

THE AUDIT COMMITTEE

The Audit Committee’s Charter

The text of the Company’s Audit Committee’s charter is set out on Appendix A attached to this Circular.

Composition of the Audit Committee

The members of the Audit Committee Von Torres and Usama Chaudhry. Usama Chaudhry is not an executive officer of Kootenay and, therefore, is an independent member of the Audit Committee. All members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with Kootenay. A material relationship means a relationship which could, in the view of Kootenay’s Board, reasonably interfere with the exercise of a member’s independent judgment.

A member of the Audit Committee is considered financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Kootenay.

Relevant Education and Experience of Audit Committee Members

Each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by Kootenay to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by

Kootenay’s financial statements, or experience actively supervising individuals engaged in such activities; and

- (c) an understanding of internal controls and procedures for financial reporting.

Usama Chaudhry is a CPA and has been the chief financial officer of numerous companies, both public and private. Von Torres is and has been corporate secretary of numerous public companies in which he regulated and organized company corporate records and reviewed and considered financial statements.

Reliance on Certain Exemptions

Except as disclosed herein, at no time since the commencement of Kootenay’s most recently completed financial year has Kootenay relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Audit Committee Oversight

At no time since the commencement of Kootenay’s most recently completed financial year has the Audit Committee made any recommendations to the Kootenay Board to nominate or compensate its auditor which were not adopted by the Kootenay Board.

Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Company must be approved in advance by the audit committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor’s independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

External Auditor Service Fees (By Category)

The aggregate fees billed by Kootenay’s external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
February 29, 2020	\$15,000	Nil	Nil	Nil
February 28, 2019	\$40,189	Nil	Nil	Nil

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of Kootenay’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category

includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
(4) "All Other Fees" include all other non-audit services.

Exemption

Kootenay is relying upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers (as defined therein) from the requirement of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument.

STATEMENT OF EXECUTIVE COMPENSATION

The following information of Kootenay is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*:

"Compensation Securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by Kootenay or one of its subsidiaries for services provided or to be provided, directly or indirectly, to Kootenay or any of its subsidiaries;

"Named Executive Officer" or **"NEO"** means each of the following individuals:

- (a) each individual who, during any part of Kootenay's financial year ended February 29, 2020, served as the chief executive officer of Kootenay, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, during any part of Kootenay's financial year ended February 29, 2020, served as chief financial officer of the Company, including an individual performing functions similar to a chief financial officer;
- (c) in respect of Kootenay and its subsidiaries, the most highly compensated executive officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended February 29, 2020 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the financial year ended February 29, 2020; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of Kootenay, and was not acting in a similar capacity, as at February 29, 2020.

Based on the foregoing definition, the Company has three (3) Named Executive Officers: Tara Haddad (former Interim chief executive officer and chief financial officer), Anthony Jackson (former chief executive officer and chief financial officer) and Robert Tindall (former chief executive officer).

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the Company's Named Executive Officers and directors for each of the Company's two (2) most recent completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and Position	Year Ended	Salary consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Tara Haddad ⁽¹⁾ <i>Former Interim CEO, CFO and director</i>	2020	90,000	--	--	--	--	90,000
	2019	--	--	--	--	--	--
Anthony Jackson ⁽²⁾ <i>Former CFO and director</i>	2020	20,000	--	--	--	--	20,000
	2019	60,000	--	--	--	--	60,000
Robert Tindall ⁽³⁾ <i>Former CEO and director</i>	2020	35,000	--	--	--	--	35,000
	2019	95,000	--	--	--	--	95,000
Usama Chaudhry <i>Director</i>	2020	6,000	--	--	--	--	6,000
	2019	--	--	--	--	--	--
Von Torres ⁽⁴⁾ <i>Interim CEO, interim CFO and Director</i>	2020	15,000	--	--	--	--	15,000
	2019	101,250	--	--	--	--	101,250

Notes:

- (1) Tara Haddad served as a director and chief financial officer of Kootenay from June 17, 2019 until June 23, 2020 and as an interim chief executive officer of Kootenay from September 13, 2019 until June 23, 2020.
- (2) Anthony Jackson served as a director and chief financial officer of Kootenay from March 23, 2015 until June 17, 2019.
- (3) Robert Tindall served as a director and chief executive officer of Kootenay from January 30, 2018 to September 13, 2019.
- (4) Von Torres served as a director of Kootenay from November 8, 2017 until June 17, 2019. Mr. Torres was re-appointed as a director of Kootenay on September 13, 2019 and has served as interim chief executive officer and chief financial officer of Kootenay since June 23, 2020.

Stock Options and Other Compensation Securities

The Company has not granted or issued any compensation securities to any NEOs or directors during the most recently completed financial year ended February 29, 2020.

Exercise of Compensation Securities by Directors and NEOs

No NEOs or directors of the Company have exercised any compensation securities during the most recently completed financial year ended February 29, 2020.

Employment, Consulting and Management Agreements

There are no severance payment triggering events that would give rise to a severance payment that would be payable to any of the NEOs had it occurred during the most recently completed financial year ended February 29, 2020.

Compensation, Philosophy and Objectives

Kootenay does not have a formal compensation program. The Kootenay Board meets to discuss and determine compensation for the named executive officers of Kootenay, without reference to formal objectives, criteria or analysis. The general objectives of Kootenay's compensation strategy are to (a) compensate its the named executive officers in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable Kootenay to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that Kootenay is under by virtue of the fact that it has been a junior mineral exploration company without a history of earnings.

The Kootenay Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Kootenay Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his or her, as applicable, responsibilities to the best of his or her, as applicable, ability and in the best interests of Kootenay.

Kootenay considers the granting of incentive stock options to be a significant component of executive compensation as it allows Kootenay to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's existing stock option plan (the "**Kootenay Stock Option Plan**").

Description of Stock Option Plan

The Kootenay Board approved the Kootenay Stock Option Plan on November 1, 2016 for option holders as specified under the Kootenay Stock Option Plan (the "**Participants**"). The Shareholders approved the Kootenay Stock Option Plan on December 16, 2016. The Kootenay Stock Option Plan provides that Kootenay Options may be granted to eligible persons on terms determined within the limitations set out in the Kootenay Stock Option Plan. The maximum number of Kootenay Common Shares to be reserved for issuance at any one time under the Kootenay Stock Option Plan is 10% of the issued and outstanding Kootenay Common Shares. Under the terms of the Kootenay Stock Option Plan, the maximum number of Kootenay Common Shares that may be: (i) reserved for issuance to a Participant within any 12 month period shall not exceed 5% of the number of Kootenay Common Shares then outstanding unless Kootenay obtains disinterested shareholder approval; (ii) issued to a consultant during any 12 month period shall not exceed 2% of the number of Kootenay Common Shares then outstanding; and (iii) issued to any employee engaged in investor relations activities within any 12 month period must not exceed 2% of the number of shares outstanding. Subject to applicable discount market price rules, if any, of the principal stock

exchange which the Kootenay Common Shares are then listed (the “**Exchange**”), the exercise price for a Kootenay Option granted under the Kootenay Stock Option Plan may not be less than the closing price of the Kootenay Common Shares on the Exchange on the trading day immediately preceding the date of grant. Kootenay Options granted may be subject to vesting requirements. Kootenay Options will be granted for a period which may not exceed ten years from the date of grant but will expire within 60 days of a Participant ceasing to be a director, officer, employee of or consultant to Kootenay in most circumstances. In the case of an employee or consultant engaged by Kootenay primarily for the purpose of providing investor relations services, any Kootenay Options held by them shall expire on the thirtieth day following the day the employee or consultant ceases to be engaged in such capacity, unless he or she is still engaged as a director or employee of Kootenay in some other capacity. In cases of death, Kootenay Options granted shall be exercisable by the Participant or by the Participant's personal representative within one year of the Participant's death. In certain other cases, including but not limited to, termination for cause of an employee or consultant, or upon receipt of an order from a regulatory authority removing a director, officer, employee or consultant from their position, the options granted to such person expire immediately. No rights under the Kootenay Stock Option Plan and no option awarded pursuant to the provisions of the Kootenay Stock Option Plan are assignable or transferable by any Participant. Subject to certain regulatory and shareholder approvals, the Kootenay Board may from time to time in its absolute discretion amend, modify and change certain provisions of a Kootenay Option or the Kootenay Stock Option Plan. The Kootenay Stock Option Plan is administered by the Kootenay Board. The Kootenay Stock Option Plan is subject to the rules and policies of the CSE.

The above summary of the Kootenay Stock Option Plan is qualified in entirety to the actual text of the Kootenay Stock Option Plan, which is available for review as an attachment to Kootenay's management information circular dated November 16, 2016 and available under Kootenay's profile at www.sedar.com.

As of the date of this Circular, no Kootenay Options are outstanding.

The following table sets out equity compensation plan information as at the year ended February 29, 2020:

	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	N/A	1,496,432
Equity compensation plans not approved by securityholders	Nil	N/A	1,496,432
TOTAL:	Nil	N/A	1,496,432

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires management of an issuer (other than a venture issuer) that solicits a proxy from a securityholder of the issuer for the purpose of electing directors to its board of directors to include in its management information circular the disclosure required by Form 58-101F2 – *Corporate Governance Disclosure*. The following disclosure describes the Company’s approach to corporate governance.

Board of Directors

Independent Directors

The current directors of the Company are Von Torres and Usama Chaudhry. For biographies of the directors, see “*Annual General Meeting Matters and Other Matters*” of this Circular.

Directors are considered to be independent if they have no direct or indirect material relationship with Kootenay. A “material relationship” is a relationship which could, in the view of the Kootenay Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Kootenay’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. Kootenay’s Board requires management to provide complete and accurate information with respect to Kootenay’s activities and to provide relevant information concerning the industry in which Kootenay operates in order to identify and manage risks. Kootenay’s Board is responsible for monitoring Kootenay’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

One director of Kootenay is independent and one director is also an officer of Kootenay. The independent director is Usama Chaudhry and the non-independent director is Von Torres.

Directorships in Other Reporting Issuers

The following directors of Kootenay are directors of other reporting issuers:

Director	Other Reporting Issuer Directorships	Listed Exchange
Usama Chaudhry	Affinor Growers Inc	CSE
	Global Health Clinics Ltd.	CSE
Von Torres	Quantum Cobalt Corp. (formerly Bravura Ventures Corp.)	CSE/Frankfurt
	Winston Resources Inc.	CSE

Independent Director Meetings

The independent directors of Kootenay do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Kootenay Board encourages independent Board members to discuss all matters with both other independent directors and non-independent directors and management in order that they are fully informed and apprised of all matters necessary to make objective decisions as directors.

Kootenay currently does not have a Chairman of the Kootenay Board. The independent directors have not appointed a lead director of its independent directors. The Kootenay Board currently consists of three directors in total and there is consistent and frequent communication among the Kootenay Board on all matters affecting the operation of Kootenay.

Orientation and Continuing Education

The Kootenay Board has not developed a formal orientation policy for new directors. When new directors are appointed, they receive an orientation, commensurate with their previous experience, on Kootenay's properties, business, technology and industry and on the responsibilities of directors.

In order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors, Kootenay encourages its directors to take director education and training courses.

Ethical Business Conduct

The Kootenay Board has not adopted a written code for directors, officers and employees. The Kootenay Board has found that the fiduciary duties placed on individual directors by Kootenay's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Kootenay Board in which the director has an interest have been sufficient to ensure that the Kootenay Board operates independently of management and in the best interests of Kootenay. Further, Kootenay's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of Kootenay's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Kootenay Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Kootenay Board's duties effectively and to maintain a diversity of views and experience.

The Kootenay Board does not have a nominating committee, and the identification of new candidates for Board nomination is currently performed by the Kootenay Board as a whole. However, if there is a change in the number of directors required by Kootenay, this policy will be reviewed.

Compensation

Kootenay does not have a compensation committee. Instead, the Kootenay Board as a whole determines compensation for the Kootenay Board and the chief executive officer. For the compensation of the Kootenay Board, see "*Statement of Executive Compensation*" of this Circular.

Other Board Committees

The Kootenay Board has no other committees other than the Audit Committee.

Assessments

The Kootenay Board, the Audit Committee and individual directors are not regularly assessed with respect to their effectiveness and contribution. The Kootenay Board monitors the adequacy of information given to

directors, communication between the Kootenay Board and management and the strategic direction and processes of the Kootenay Board and the Audit Committee.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, none of the directors or executive officers of Kootenay, none of the management proposed nominees for election as directors of Kootenay, none of the persons who have been directors or executive officers of Kootenay since the commencement of Kootenay's last financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during Kootenay's last completed financial year or as of the Record Date, was any director, executive officer, proposed nominee for election as a director of Kootenay nor any associate of any such director, executive officer, or proposed nominee or any former director, executive officer or executive officer of Kootenay or any of its subsidiaries, indebted to Kootenay or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Kootenay or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of Kootenay, no informed person (a director, officer or holder of 10% or more of the Kootenay Common Shares) or nominee for election as a director of Kootenay or any associate or affiliate of any informed person or proposed director set forth above had any interest in any transaction which has materially affected or would materially affect Kootenay or any of its subsidiaries since March 1, 2019 (being the commencement of the Company's last completed financial year), or has any interest in any material transaction in the current year other than as set out herein.

MANAGEMENT CONTRACTS

There are no management functions of Kootenay, which are to any substantial degree performed by a person or company other than the directors or executive officers of Kootenay.

ADDITIONAL INFORMATION

Additional information relating to Kootenay is available for review by the public under Kootenay's profile on SEDAR at www.sedar.com.

Financial information is provided in Kootenay's comparative audited financial statements of the Company for the year ended February 29, 2020 and in the related Kootenay MD&A attached to this Circular and under Kootenay's profile on SEDAR at www.sedar.com.

APPENDIX A

**AUDIT COMMITTEE CHARTER
OF KOOTENAY ZINC CORP. (THE “COMPANY”)**

Mandate

The primary function of the audit committee (“**Committee**”) is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (b) the Company’s systems of internal controls regarding finance, accounting and auditing; and (c) the Company’s financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements; (ii) review and appraise the performance of the Company’s external auditors; (iii) provide an open avenue of communication among the Company’s auditors, financial and senior management and the board of directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee’s composition shall be determined by the Board of Directors. Ideally, all members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can presumably be expected to be raised by the Company’s financial statements. The Committee must comply with the requirements of National Instrument 52-110 Audit Committees.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual Shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least one (1) time annually, or more frequently as circumstances dictate, in person or by telephone conference call. The Committee shall meet at least annually with the Company’s Chief Financial Officer and external auditors in separate executive sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and, as necessary or appropriate, update the Charter annually.
- (b) Review the Company's annual and interim financial statements, MD&A, any earning statements, and press releases before the Company publicly discloses this information as well as any reports or other financial information to be submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the Shareholders of the Company.
- (b) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for Shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the Closing of the audit by the Committee or by one

or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

- (j) Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review certification process for certificates required under National Instrument 52-109.
- (i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- (a) Review any related party transactions.
- (b) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("**Concerns**") relating to the Company such that:
 - (i) an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
 - (ii) the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
 - (iii) the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.

APPENDIX B

INFORMATION CONCERNING CANNDORA

*The following information is presented on a pre-Transactions basis and reflects the business, financial and share capital position of Canndora Delivery Ltd. (“Canndora”). See **Cautionary Notice Regarding Forward-Looking Statements in this Circular in respect of forward-looking statements that are included in this Schedule and in the documents incorporated by reference herein.***

All capitalized terms used in this Appendix and not defined herein have the meaning ascribed to such terms in the *Glossary of Terms* or elsewhere in this Circular. Unless otherwise indicated herein, references to “\$”, “Cdn\$” or “Canadian dollars” are to Canadian dollars, and references to “US\$” or “U.S. dollars” are to United States dollars. The information contained in this Appendix unless otherwise indicated, is given as of July 29, 2020.

PRELIMINARY NOTE

This Appendix has been prepared by the management of Canndora and contains information in respect of the business and affairs of Canndora. Information provided by Canndora is the sole responsibility of Canndora, and Kootenay does not assume any responsibility for the accuracy or completeness of such information.

ORGANIZATIONAL STRUCTURE

Canndora was incorporated under the BCBCA on February 28, 2020 under the name “*Canndora Delivery Ltd.*” Canndora’s corporate and registered office is located at 403-1355 Bellevue Avenue, West Vancouver, British Columbia, V7T 0B4.

Canndora’s corporate structure includes a Director, a Marketing and Sales team, Client Care team and a Technology team. David Jenkins is President and a director of Canndora.

GENERAL DEVELOPMENT OF THE BUSINESS OF CANNDORA

Canndora is currently in the business development stage of its operations and intends to gain market exposure and brand awareness. Canndora does not currently have an operating business. Canndora intends to operate as a cannabis delivery service that will deliver cannabis products (i) on behalf of Canadian licensed producers (as such term is defined in the Cannabis Act) as a delivery agent, and (ii) on behalf of cannabis retail stores in those provinces which allow the delivery of cannabis products from licensed retail cannabis stores. Canndora has developed a mobile application and website interface to facilitate its interaction with its delivery counterparties and customers. Canndora's goal is to become a leading service provider for the delivery of cannabis-associated products, such as flower, oils, beauty and skin care products (which includes lotions and balms), edibles (which includes gummies, candy, baked goods and chocolates), beverages and more.

Since the legalization of cannabis for medicinal and recreational purposes, there has been a significant increase in the use of cannabis products by consumers ranging in age, gender and other demographic makeup.

Financings

On April 29, 2020, Canndora completed a non-brokered private placement of 15,000,000 Canndora Common Shares at a price of \$0.025 per Canndora Common Share for gross proceeds of \$375,000.

NARRATIVE DESCRIPTION OF BUSINESS

Principal Products or Services

Once Canndora's operations begin, Canndora will be a delivery service that picks up ordered cannabis or cannabis product(s) ordered from the Canndora mobile application or website interface and delivers them directly to the consumer. Canndora is not a retail dispensary, but offers access to all partnered legal dispensaries in a particular geographic location. Consumers will have the ability to search for their favourite cannabis products from partnered dispensaries and Canndora will collect consumer purchasing habits to help partnered dispensaries. Canndora's mobile phone application is complete but has not yet been deployed for use by consumers.

Canndora does not and will not own, manage or hold any physical inventory. Canndora intends to operate only as an intermediary providing a delivery services of cannabis products to registered medical patients. Canndora intends to eliminate the need for customers to call and/or visit different dispensaries searching for their preferred cannabis products. Customers will be able to search through all partnered dispensaries and all of their products, and the different specials that each dispensary is offering, on the Canndora mobile application and website. Canndora will offer customers access to all of their partnered legal dispensaries even if the dispensary does not offer delivery services.

Canndora's Competitive Landscape and Position

Canndora intends to have access to a large variety of cannabis products by partnering with dispensaries. Canndora's e-commerce platforms will facilitate the sale and processing of products. However, all warehousing, supply, production and product inventory is the responsibility of its partners. Canndora's model enables Canndora's business to operate at a very low operating cost, thus maximizing margins and, ultimately, net revenue. Canndora's partners also benefit as it offers them a much larger pool of customers than they already serve.

Opportunities for Growth

At this time, the Canndora mobile application has been fully developed and Canndora is in discussions with licenced producers and cannabis retailers to provide delivery services in the near term.

Trends, Commitments, Events or Uncertainties

Following the COVID-19 pandemic, a greater number of consumers have switched to product delivery as concern for social distancing is on the consumers mind. This may lead to increased growth of the delivery sector in medicinal and recreational markets. Canndora faces various uncertainties including, without limitation, regulatory restrictions, difficulty recruiting drivers, and limited user adoption.

SELECTED CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes financial information of Canndora for the period from February 28, 2020 (date of incorporation) to April 30, 2020. This summary financial information should only be read in conjunction with the Canndora Financial Statements for the period from February 28, 2020 (date of incorporation) to April 30, 2020:

	April 30, 2020
Operating Data:	
Total revenues	\$Nil
Net loss from operations	\$(111,009)
Basic and diluted loss per share	\$(0.38)
Balance Sheet Data:	
Total assets	\$1,375,641
Total liabilities	\$111,650

DIVIDENDS

No dividends on Canndora Common Shares have been paid to date. Canndora does not have a formal dividend or distribution policy, and Canndora does not intend to pay dividends for the foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

A copy of the Canndora's MD&A for the period from February 28, 2020 (date of incorporation) to April 30, 2020 is attached to this Appendix B as Schedule B.

The Canndora MD&A should be read in conjunction with the audited financial statements and the notes thereto for the period from February 28, 2020 (date of incorporation) to April 30, 2020. The Canndora Financial Statements set out in Schedule A attached hereto to Appendix B have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

DESCRIPTION OF CANNDORA COMMON SHARES CAPITAL

The authorized share capital of Canndora consists of an unlimited number of Canndora Common Shares of which 18,000,000 Canndora Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof.

CANNDORA COMMON SHARES

Holder of Canndora Common Shares are entitled to receive notice of and to attend all meetings of Canndora Shareholders. Each Canndora Common Share carries one vote. Subject to the preferences of any series of preferred shares, if any, in the event of a liquidation, dissolution or winding up of Canndora, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purpose of winding up its affairs, the holders of the Canndora Common Shares are entitled to receive the remaining property and assets of Canndora on a pro rata basis.

CONSOLIDATED CAPITALIZATION**Common Shares**

The following table sets forth the Canndora Common Shares as of the date hereof:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of the Record Date
Canndora Common Shares	Unlimited Without Par Value	18,000,000

PRIOR SALES

The following table summarizes the issuances of securities of Canndora within 12 months prior to the date hereof:

Date of Issue	Description	Number of Common Shares	Price per Share	Total Issue Price
February 28, 2020	Canndora Common Shares	100 ⁽¹⁾	\$0.01	\$1.00
April 29, 2020	Canndora Common Shares	5,000,000	\$0.025	\$100,000.00
April 29, 2020	Canndora Common Shares	5,000,000	\$0.025	\$125,000.00
April 29, 2020	Canndora Common Shares	840,000	\$0.025	\$21,000.00
April 29, 2020	Canndora Common Shares	800,000	\$0.025	\$20,000.00
April 29, 2020	Canndora Common Shares	1,680,000	\$0.025	\$42,000.00
April 29, 2020	Canndora Common Shares	1,680,000	\$0.025	\$42,000.00
April 29, 2020	Canndora Common Shares	3,000,000 ⁽²⁾	\$0.33	\$1,000,000.00
Total:	--	18,000,000	--	\$2,375,000.00

Notes:

- (1) Initial Canndora Common Shares subsequently repurchased by Canndora.
(2) 3,000,000 Canndora Common Shares were issued to David Jenkins pursuant to an Intellectual Property Assignment Agreement dated April 29, 2020 between Canndora and David Jenkins whereby David Jenkins assigned to Canndora certain intellectual property relating to Canndora.

TRADING PRICE AND VOLUME OF THE CANNDORA COMMON SHARES

The Canndora Common Shares are not traded on any stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

There are no securities of Canndora that are subject to escrow or restrictions on transfer other than standard limitations on transfer pursuant to the Articles of Canndora.

PRINCIPAL SECURITYHOLDERS

As of the date of this Circular, each of 1249908 B.C. Ltd., David Bentil, Cay Innovations, Nerona Capital Ltd. and David Jenkins own more than 10% of the issued shares of Canndora. Upon completion of the Transactions, it is expected that no shareholder will, beneficially and of record, own more than 10% of the issued common shares of the Resulting Issuer.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Securityholdings

The names and province or state and country of residence of the directors and executive officers of Canndora, positions held by them with Canndora and their principal occupations during the past five years are as set forth below. The term of office of each of the present directors expires at the next annual general meeting of shareholders. After each such meeting, the Board of Directors appoints Canndora's officers and committees for the ensuing year.

Name and Municipality of Residence Held	Position	Principal Occupation	Number and Percentage of Canndora Common Shares ⁽¹⁾
David Jenkins British Columbia, Canada	President and sole Director	Real Estate Agent	3,000,000 (16.67%)

Notes:

- (1) The information as to Canndora Common Shares beneficially owned or controlled has been provided by the directors or officers themselves.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer is, as at the date of this Circular, or has been, within ten years before the date of this document, a director or executive officer of any corporation (including Canndora) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

No director, executive officer or shareholder holding a sufficient number of securities of Canndora to materially affect the control of Canndora (a) is, as at the date of this Circular, or has been within ten years before the date of the Circular, a director or executive officer of any corporation (including Canndora) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Canndora, or a shareholder holding sufficient number of securities of Canndora to affect materially the control of Canndora, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of Canndora's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. For a list of the other reporting issuers in which directors of Canndora also serve as directors, please see the directors' and insider's profile available on SEDI at www.sedi.ca. To the extent that such other companies may participate in ventures in which Canndora may participate, the directors of Canndora may have a conflict of interest in negotiating and concluding terms regarding the extent of such participation. In the event that such a conflict of interest arises at a meeting of Canndora's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular corporation will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of Canndora making the assignment. Under the laws of Canada, the directors of Canndora are required to act honestly, in good faith and in the best interests of Canndora. In determining whether or not Canndora will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Canndora may be exposed and its financial position at that time.

The following director of Canndora is also a director of the following reporting issuers:

Director	Reporting Issuer	Exchange and Symbol	Dated Appointed
David Jenkins	Quantum Cobalt Corp.	CSE – QBOT	2020-01-01
	Montego Resources Inc.	CSE – MY	2020-01-22
	Winston Resources Inc.	CSE – WRW	2020-01-01

EXECUTIVE COMPENSATION

The following table sets forth the value of the compensation, excluding compensation securities, of Canndora's directors and Named Executive Officers, for the financial period ended April 30, 2020.

Table of compensation excluding compensation securities							
Name and Position	Period ended	Salary, Consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
David Jenkins <i>Director and President</i>	April 30, 2020	60,000	nil	nil	nil	nil	60,000

Compensation Discussion and Analysis

Canndora does not have in place any formal objectives, criteria or analysis; compensation payable is determined by the Board of Directors.

Canndora's Board of Directors does not establish any benchmark or performance goals to be achieved or met by Named Executive Officers, however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of Canndora. The satisfactory discharge of such duties is subject to ongoing monitoring by Canndora's directors.

External Management Companies

Canndora's Named Executive Officer is not or was an employee of Canndora.

As of the date of this Circular, Canndora has not executed any employment contracts or formal written consulting agreements.

Stock Options and Other Compensation Securities

Canndora does not have an option plan nor has Canndora granted any options.

Pension and Retirement Plans

Canndora does not have any pension or retirement plan which is applicable to the Named Executive Officers or directors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and from February 28, 2020 (date of incorporation) to April 30, 2020, no director or executive officer of Canndora (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) Canndora or its subsidiaries, or any other entity which is, or was at any time during the period of February 28, 2020 (date of incorporation) to April 30, 2020, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Canndora or its subsidiaries.

RISK FACTORS

The following is a summary of certain risk factors applicable to Canndora. Since the business of the Resulting Issuer will include progression of the business of Canndora, readers are cautioned that the following risk factors are also relevant to the business of the Resulting Issuer, and are encouraged to see *Appendix C - Information Concerning the Resulting Issuer – Risk Factors*.

The risks presented in this Circular should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer and Canndora may face.

Whether actual results, performance or achievements will conform to Canndora's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including the following:

There is no assurance that Canndora will turn a profit or generate immediate revenues

There can be no assurance that Canndora will be profitable, earn revenues, or pay dividends. Canndora has incurred and anticipates that it will continue to incur substantial expenses relating to the operations and further development of its business.

The payment and amount of any future dividends will depend on, among other things, Canndora's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

In the event that any of Canndora'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 money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of Canndora to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

There are factors which may prevent Canndora from the realization of growth targets

Canndora is currently expanding. Canndora's growth strategy contemplates developing additional technological platforms. There is a risk that the development of these platforms will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- technical deficiencies in the design of the platform;
- non-performance by third party contractors;
- increases in materials or labour costs;
- falling below expected levels of output or efficiency;
- inability to engage with medical professionals or medical cannabis dispensaries' software development upgrades;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers; and
- disruptions in the supply of energy and utilities.

Canndora is operating at a regulatory frontier. The cannabis industry is a new industry that may not succeed and is susceptible to constant changes in laws, regulations and guidelines and non-compliance with federal, provincial or state laws and regulations, or the expansion of current or enactment of new laws and regulations, could adversely affect Canndora's business

Canndora's business is closely related to the medical and adult use cannabis industry, and changes in such markets may directly affect Canndora's business. The medical and adult use cannabis industry is subject to various local and federal laws, regulations, guidelines and licensing requirements relating to the manufacture, sale, distribution, management, transportation, storage and disposal of medical cannabis, as well as being subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment in Canada, the United States and abroad. As the industry develops and matures, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of Canndora could have a material adverse effect on Canndora's business, results of operations and financial condition. In particular, any amendment to or replacement of existing cannabis laws in the jurisdictions where Canndora operates may cause adverse effects to Canndora's operations.

As well, should the federal government in the U.S. change course and decide to prosecute those dealing in medical or adult use cannabis under applicable law, there may not be any market for Canndora's products and services in the U.S.

Furthermore, if in the future Canndora expands its business to distribute and/or sell products containing cannabis, achievement of Canndora's business objectives will depend, in part, upon compliance with regulatory requirements enacted by applicable governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of such products. Canndora cannot predict the time required to secure or maintain all appropriate regulatory approvals for such products, or the extent of testing and documentation that may be required by applicable governmental authorities. Any delays in obtaining, or failure to obtain, regulatory approvals would significantly delay the development and/or sale of such products and could have a material adverse effect on the business, financial condition and results of operation of Canndora.

The cannabis industry is also subject to extensive controls and regulations in the various jurisdictions where such industry has been legally regulated, and those controls and regulations may also affect the financial condition of market participants. The marketability of cannabis products may be affected by numerous factors beyond the control of Canndora and which cannot be predicted, such as packaging requirements, marketing and advertising restrictions, restrictions as to the product formats that may be used, as well as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce Canndora's earnings and could make future capital investments or Canndora's operations uneconomic. The industry is also subject to numerous legal challenges, generally the outcomes of which cannot be reliably predicted, which may significantly affect the financial condition of market participants which could in turn affect the cannabis industry.

Canndora's actual financial position and results of operations may differ materially from the expectations of Canndora's management

Canndora's actual financial position and results of operations may differ materially from management's expectations. Canndora has experienced some changes and delays in its operating plans. As a result, Canndora's revenue, net income and cash flow may differ materially from Canndora's projected revenue, net income and cash flow. The process for estimating Canndora's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect Canndora's financial condition or results of operations.

Canndora is a development stage company with little operating history, a history of losses and Canndora cannot assure profitability

Canndora is creating an e-commerce platform to capitalize on the opportunity for value creation that is emerging from the relaxing of state and local prohibitions on the cannabis industry. Canndora's lack of operating history makes it difficult for investors to evaluate Canndora's prospects for success. Prospective investors should consider the risks and difficulties Canndora might encounter, since there is no assurance that it will be successful. Any likelihood of success must be considered in light of Canndora's relative early stage of operations.

As Canndora has not generated any revenue, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact that Canndora intends to operate in the cannabis industry, which is rapidly transforming. There is no guarantee that Canndora's products or services will be attractive to potential consumers.

Speculative Nature of Investment

An investment in Canndora's Common Shares carries a high degree of risk, should be considered as a speculative investment by purchasers, and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for liquidity in their investment. An investment in the securities offered hereunder should not constitute a major portion of an individual's investments and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should carefully evaluate the risk factors set out in this section associated with an investment in Canndora's securities prior to purchasing any of its Canndora Common Shares.

Limited or no Operating History

Canndora has no history of earnings and sales, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. Canndora is in the development and planning phases of its business. Operations are not yet sufficiently established such that Canndora can mitigate the risks associated with planned activities.

Canndora also has limited history of operations in the e-commerce and technology industries. Canndora is therefore subject to many of the risks common to entering a new area of operation, including under-capitalization, limitations with respect to personnel, financial, and other resources, lack of revenues, and uncertainty with respect to its ability to attract and retain paying customers. There is no assurance that Canndora will be successful in operating its business, generate revenue, successfully implement its plans or achieving a return on its investment and the likelihood of success must be considered in light of Canndora's lack of experience in the e-commerce and technology industries and the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

Going Concern Risk

Canndora is in the development stage of its business and is currently seeking additional capital, mergers, acquisitions, joint ventures, partnerships and other business arrangements to expand its product offerings in the ancillary cannabis product market and grow its revenue. Canndora's ability to continue as a going concern is dependent upon its ability to grow its revenue and achieve profitable operations while also obtaining the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of Canndora; however, there can be no certainty that such funds will be available at terms acceptable to Canndora. The risks referred to herein indicate the existence of material uncertainties that may cast significant doubt on Canndora's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. Canndora's future operations are dependent upon the identification and successful completion of equity or debt or other financing and the achievement of profitable operations. There can be no assurances that Canndora will be successful in achieving profitability.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should Canndora be unable to continue as a going concern.

History of Losses

Canndora has a history of losses, and it may be unable to achieve or sustain profitability. It has experienced net losses in almost every period since incorporation. Canndora anticipates that its operating expenses and capital expenditures will increase substantially in the foreseeable future as it continues to invest to research and develop its products and services, increase its customer base, expand its marketing channels, hire additional employees and enhance its technology capabilities. Canndora's expansion efforts may prove more expensive than it anticipates, and it may not succeed in increasing Canndora's revenues and margins sufficiently to offset the anticipated higher expenses. Canndora incurs significant expenses in developing its innovative products and services, leasing or otherwise obtaining facilities, and marketing the products and services it offers. In addition, many of Canndora's expenses are fixed. Accordingly, Canndora may not be able to achieve or sustain profitability, and it may incur significant losses for the foreseeable future.

Negative Operating Cash Flow

Canndora has negative operating cash flow. The failure of Canndora to achieve profitability and positive operating cash flows could have a material adverse effect on Canndora's financial conditions and results of operations. To the extent that Canndora has a negative cash flow in future periods, Canndora may need to deploy a portion of its cash reserves to fund such negative cash flow. Canndora expects to continue to sustain operating losses in the future until it generates revenue from its products and services. There is no guarantee that Canndora will ever be profitable.

Global Pandemic

As a result of the global outbreak of COVID-19 and its declaration by the World Health Organization to be a "pandemic", certain actions are being taken by governments and businesses around the world to control the outbreak, including restrictions on public activities, travel and commercial operations. As such, Canndora's ability to produce and supply products and services and its sales revenue, results of operations, cashflow and liquidity has been and may continue to be adversely impacted.

The COVID-19 pandemic, the measures attempting to contain and mitigate the effects of the virus, including travel bans and restrictions, quarantines, shelter-in-place orders, shutdowns and restrictions on trade, and the resulting changes in customer and consumer behaviours have disrupted and will continue to disrupt Canndora's normal operations and impact employees, suppliers, partners, and customers and their buyers.

The degree to which COVID-19 will affect Canndora's results and operations will depend on future developments that are highly uncertain and cannot currently be predicted, including, but not limited to, the duration, extent and severity of the COVID-19 pandemic, actions taken to contain the COVID-19 pandemic, the impact of the COVID-19 pandemic and related restrictions on economic activity and domestic and international trade, and the extent of the impact of these and other factors on Canndora's employees, partners, suppliers, customers and their buyers. The COVID-19 pandemic and related restrictions could limit customers' ability to continue to operate, lead to disruption in Canndora's supply chain, disrupt or delay the ability of employees to work because they become sick or are required to care for those who become sick, cause delays or disruptions in services provided by key suppliers and vendors, increase vulnerability of Canndora and its partners and service providers to security breaches, denial of service attacks or other hacking or phishing attacks, or cause other unpredictable events.

COVID-19 has also caused heightened uncertainty in the global economy. If economic growth slows further or if a recession develops or continues to develop, consumers may not have the financial means to make purchases from customers, or potential customers, of Canndora and may delay or reduce discretionary

purchases, negatively impacting customers and Canndora's operations. Since the impact of COVID-19 is ongoing, the effect of the COVID-19 pandemic and the related impact on the global economy may not be fully reflected in Canndora's results of operations until future periods. Further, volatility in the capital markets has been heightened during recent months and such volatility may continue, which may cause declines in the price of the Canndora Common Shares, increasing the risk that securities class action litigation could be instituted against Canndora.

Canndora's expansion efforts, including any expansion into distributing and/or selling products containing cannabis, may not be successful

There is no guarantee that Canndora's intentions to grow its business, including any future intention to expand its business into the distribution and/or sale of products containing cannabis in jurisdictions with legal cannabis markets, will be successful. Any such activities will require, among other things, various regulatory approvals, licences and permits and there is no guarantee that all required approvals, licences and permits will be obtained in a timely fashion or at all.

In addition to being subject to general business and regulatory risks, any business that produces, distributes and/or sells an agricultural product and a regulated consumer product such as products containing cannabis, will need to build brand awareness in the industry and market through significant investments in strategy, distribution channels, quality assurance and regulatory compliance. These activities may not promote Canndora's brands as effectively as intended, or at all. Competitive conditions, consumer tastes, requirements and spending patterns in the cannabis industry are new and relatively unknown and may have unique circumstances that differ from existing industries and markets.

There is also no guarantee that Canndora will be able to complete any of the foregoing activities as anticipated or at all. The failure of Canndora to successfully execute any expansion strategy (including receiving required regulatory approvals and permits) could adversely affect Canndora's business, financial condition and results of operations.

In addition, legislation in Canada permits, and legislation in other jurisdictions that permit adult use or medical use of cannabis products, or future legislation in other jurisdictions may permit (if and when enacted), persons to produce their own cannabis products. This could potentially and significantly reduce the market for any products of Canndora which in the future contain cannabis, could disrupt the legal cannabis industry generally and could have a material adverse effect on Canndora's business, financial condition and results of operations.

Furthermore, if Canndora expands its business into distributing and/or selling products containing cannabis, Canndora will face competition from other licensed distributors and/or sellers of cannabis products, including licensed producers, some of which can be expected to have longer operating histories and more financial resources, manufacturing and marketing experience than Canndora. In addition, the cannabis industry may also undergo consolidation, creating larger companies with financial resources, manufacturing and marketing capabilities, and product offerings that are greater than those Canndora may in the future provide. As a result of this competition, Canndora may be unable to develop its operations as contemplated on terms it considers acceptable or at all. Increased competition by larger, better-financed competitors with geographic advantages could materially and adversely affect Canndora's business, financial condition and results of operations.

No guarantee on the use of available funds by Canndora

Canndora cannot specify with certainty the particular uses of the proceeds. Management has broad discretion in the application of Canndora's proceeds. Accordingly, a purchaser of Canndora Common Shares will have to rely upon the judgment of management with respect to the use of proceeds, with only

limited information concerning management's specific intentions. Canndora's management may spend a portion or all of the proceeds in ways that Canndora's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a purchaser's investment. The failure by management to apply these funds effectively could harm Canndora's business. Pending use of such funds, Canndora might invest the proceeds in a manner that does not produce income or that loses value.

Information Technology

Canndora relies on information technology systems and any inadequacy, failure, interruption or security breaches of those systems may harm its ability to effectively operate the business. Canndora is dependent on various information technology systems, including, but not limited to, networks, applications and outsourced services in connection with the operation of the business. A failure of Canndora's information technology systems to perform as it anticipates could disrupt the business and result in transaction errors, processing inefficiencies and loss of sales, causing the business to suffer. In addition, Canndora's information technology systems may be vulnerable to damage or interruption from circumstances beyond its control, including fire, natural disasters, systems failures, viruses and security breaches. Any such damage or interruption could have a material adverse effect on the business.

Cybersecurity Incidents and Technological Disruptions

A cybersecurity incident or other technology disruptions could negatively impact the business and relationships with customers. Canndora uses computers in substantially all aspects of business operations. It also uses mobile devices, social networking, cloud services and other online activities to connect with employees, suppliers, partners, distributors, customers and consumers. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft and inadvertent release of information.

Canndora uses and relies on products and services from other third parties, and those services may be subject to outages, interruptions and cybersecurity risks that are not within Canndora's control.

Canndora's business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including customers' and suppliers' information, private information about employees and financial and strategic information about Canndora and its business partners. The theft, destruction, loss, misappropriation, or release of sensitive and/or confidential information or intellectual property, or interference with Canndora's information technology systems or the technology systems of third parties on which it relies, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage all of which could have a material adverse effect on the business, financial condition or results of operations.

Changes in Technology

As new mobile devices and platforms are released, Canndora is not able to accurately predict the problems it may encounter in developing products and services for alternative devices and platforms and Canndora may need to devote significant resources to the creation, support and maintenance of such products and services.

Further, Canndora continually upgrades existing technologies and business applications and Canndora may be required to implement new technologies or business applications in the future. The implementation of upgrades and changes requires significant investments. Canndora's results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to its systems and infrastructure. As a result, Canndora's customer growth could be

harmed and its business, financial condition, and results of operations may be materially and adversely affected.

In the future, providers of internet browsers could introduce new features that would make it difficult for customers to use Canndora's products and services. In addition, internet browsers for desktop or mobile devices could introduce new features, change existing browser specifications such that they would be incompatible with Canndora's products and services. Any changes to technologies used in Canndora's products and services, to existing features that it relies on, or to operating systems or internet browsers that make it difficult for customers or consumers to access Canndora's products and services, may make it more difficult for Canndora to maintain or increase its revenues and could materially and adversely impact Canndora's business and prospects.

Canndora is subject to risks related to online payment methods.

Canndora plans to accept credit and debit card payments for purchases through its website and mobile applications. As a result, Canndora will pay interchange and other fees, which may increase over time and raise Canndora's operating costs and lower profitability. Canndora is also subject to payment card association operating rules and certification requirements, including rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for Canndora to comply.

Furthermore, as Canndora's business changes, Canndora may be subject to different rules under existing standards, which may require new assessments that involve costs above what Canndora currently pays for compliance. In the future, as Canndora offers new payment options to consumers, including by way of integrating emerging mobile and other payment methods, Canndora may be subject to additional regulations, compliance requirements and fraud. If Canndora fails to comply with the rules or requirements of any provider of a payment method Canndora accepts, if the volume of fraud in Canndora's transactions limits or terminates Canndora's rights to use payment methods Canndora currently accepts, or if a data breach occurs relating to Canndora's payment systems, Canndora may, among other things, be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, its ability to accept credit card payments from consumers or facilitate other types of online payments. If any of these events were to occur, Canndora's business, financial condition, and results of operations could be materially and adversely affected. Canndora occasionally receives orders placed with fraudulent data. Under current credit and debit card practices, Canndora may be liable for fraudulent transactions. As a result, Canndora may suffer losses as a result of orders placed with fraudulent data even if the associated financial institution approved payment of the orders. If Canndora is unable to detect or control credit and debit card fraud, Canndora's liability for these transactions could harm Canndora's business, financial condition, and results of operations.

Personal Information

Canndora stores personal information, debit card information, credit card information, banking information, financial information and other confidential information of its partners, customers and their buyers, and consumers with whom Canndora has a direct relationship. The unauthorized release, unauthorized access or compromise of this information could have a material adverse effect on Canndora's business, financial condition and results of operations. Even if such a data breach did not arise out of Canndora's actions or inactions, or if it were to affect one or more of Canndora's competitors or customers' competitors, rather than Canndora itself, Canndora's business, financial condition, and results of operations may be materially and adversely affected.

Canndora is also subject to federal, provincial and foreign laws regarding cybersecurity and the protection of data. Canndora's failure to comply with legal or contractual requirements around the security of personal information could lead to significant fines and penalties imposed by regulators, as well as claims by

Canndora's customers, their buyers, or other relevant stakeholders. These proceedings or violations could force Canndora to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or injunctive relief, divert management's time and attention, increase Canndora's costs of doing business, and materially and adversely affect Canndora's reputation and the demand for its solutions.

In addition, various federal, state and provincial legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, consumer protection, and advertising. Privacy, security, and data protection laws and regulations, and any other such changes or new laws or regulations, could impose significant limitations, require changes to Canndora's business, or restrict Canndora's use or storage of personal information, which may increase Canndora's compliance expenses and make Canndora's business more costly or less efficient to conduct. In addition, any such changes could compromise Canndora's ability to develop an adequate marketing strategy and pursue Canndora's growth strategy effectively, which, in turn, could adversely affect Canndora's business, financial condition, and results of operations.

Software Errors or Defects

Software such as that of Canndora often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, Canndora's products and services may contain serious errors or defects, security vulnerabilities or software bugs that Canndora may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance, and damage to Canndora's reputation and brand, any of which could have a material and adverse effect on Canndora's business, financial condition and results of operations.

Since Canndora's customers use its products and services for processes that are critical to the customers' businesses, errors, defects, security vulnerabilities, service interruptions or software bugs in the products and services could result in losses to Canndora's customers. Canndora's customers may seek significant compensation from Canndora for any losses they suffer or cease conducting business with Canndora altogether. Even if not successful, a claim brought against Canndora by any of its customers would likely be time-consuming and costly to defend and could seriously damage Canndora's reputation and brand, making it harder for Canndora to sell its products and services.

Access to Internet

Canndora's success depends upon the general public's ability to access the internet and its continued willingness to use the internet as a means to pay for purchases, communicate, access social media, research and conduct commercial transactions, including through mobile devices. The adoption of any laws or regulations that adversely affect the growth, popularity or use of the internet, including changes to laws or regulations impacting internet neutrality, could decrease the demand for Canndora's products and services, increase Canndora's operating costs, or otherwise adversely affect Canndora's business. Given uncertainty around these rules, Canndora could experience discriminatory or anti-competitive practices that could affect Canndora's growth, increase Canndora's costs or adversely affect its business. If consumers or customers become unable, unwilling or less willing to use the internet for commerce for any reason, including lack of access to high-speed communications equipment, congestion of traffic on the internet, internet outages or delays, disruptions or other damage to customers' and consumers' computers, increases in the cost of accessing the internet and security and privacy risks or the perception of such risks, Canndora's business could be materially and adversely affected.

Litigation

Canndora may become subject to various legal proceedings and claims that arise from time to time in the ordinary course of Canndora's business. Such litigation may arise as a consequence of contractual or other disputes or as a consequence of Canndora's listing and reporting issuer status and could adversely affect its business and operations. Litigation or legal proceedings could expose Canndora to significant liabilities and have a negative impact on Canndora's reputation or business. Should any litigation in which Canndora becomes involved be determined against it such a decision could adversely affect its ability to continue operating and the market price for the Canndora Common Shares and could use significant resources. Even if Canndora is involved in litigation and wins, litigation can redirect significant Canndora resources. Litigation may also create a negative perception of Canndora's brand.

Canndora evaluates these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, Canndora may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from Canndora's assessments and estimates.

Legal Claims, Government Investigations and Regulatory Enforcement

Canndora operates in a highly regulated environment with constantly evolving legal and regulatory frameworks. Consequently, Canndora is subject to heightened risk of legal claims, government investigations or other regulatory enforcement actions. Changes to such laws, regulations and guidelines due to matters beyond the control of Canndora may cause adverse effects business, financial condition and results of operations of Canndora. Although Canndora has implemented policies and procedures designed to ensure compliance with existing laws and regulations, there can be no assurance that its employees, temporary workers, contractors or agents will not violate its policies and procedures. Moreover, a failure to maintain effective control processes could lead to violations, unintentional or otherwise, of laws and regulations.

Legal claims, government investigations or regulatory enforcement actions arising out of Canndora's failure or alleged failure to comply with applicable laws and regulations could subject it to civil and criminal penalties that could materially and adversely affect Canndora's product sales, reputation, financial condition and operating results. In addition, the costs and other effects of defending potential and pending litigation and administrative actions against Canndora may be difficult to determine and could adversely affect Canndora's financial condition and operating results.

Regulatory Risks

Failure by Canndora to comply with applicable laws and regulations or maintain permits, licenses or registrations relating to Canndora's operations could subject Canndora to civil remedies or penalties, including fines, injunctions, recalls or seizures, warning letters, restrictions on the marketing or provision of products and services, or refusals to permit the import or export of products and services, as well as potential criminal sanctions, which could result in increased operating costs resulting in a material effect on Canndora's operating results and business.

Changes in existing laws or regulations, or the adoption of new laws or regulations may increase Canndora's costs and otherwise adversely affect Canndora's business, results of operations and financial condition.

Canndora is subject to general business regulations and laws as well as regulations and laws specifically governing the internet and e-commerce. Existing and future regulations and laws could impede the growth of the internet, e-commerce or mobile commerce, which could in turn adversely affect Canndora's growth. These regulations and laws may involve taxes, tariffs, privacy and data security, anti-spam, content protection, electronic contracts and communications, consumer protection and internet neutrality. It is not clear how existing laws governing issues such as property ownership, sales and other taxes and consumer privacy apply to the internet as the vast majority of these laws were adopted prior to the advent of the internet and do not contemplate or address the unique issues raised by the internet or e-commerce. It is possible that general business regulations and laws, or those specifically governing the internet or e-commerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or Canndora's practices. Canndora cannot be sure that its practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by Canndora to comply with any of these laws or regulations could result in damage to its reputation, a loss in business and proceedings or actions against Canndora by governmental entities, customers, suppliers or others. Canndora may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. As a result, adverse developments with respect to these laws and regulations may materially and adversely affect Canndora's business, results of operations and financial condition.

Canndora's business is in a highly regulated industry in which many jurisdictions have enacted extensive rules for ownership of a participant company. Canndora's owners (which could include the investors in Canndora) could become disqualified from having an ownership stake in Canndora under relevant laws and regulations of applicable federal, provincial, state and/or local regulators, if the applicable owner is convicted of a certain type of felony or other offence, or fails to meet the requirements for owning equity in a company like Canndora.

The development of Canndora's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment limits Canndora's ability to compete for market share in a manner similar to other industries. If Canndora is unable to effectively market its products and services 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 and services, Canndora's sales and operating results could be adversely affected.

Permits

The future operations of Canndora may require permits from various federal, provincial, and local governmental authorities and will be governed by laws and regulations governing e-commerce, technology, the internet, transportation, privacy, taxes, labour standards, occupational health and other matters. There can be no guarantee that Canndora will be able to obtain all necessary permits and approvals that may be required for its products and services.

Canndora may be unable to accurately forecast net sales and appropriately plan its expenses in the future.

Net sales and results of operations are difficult to forecast because they generally depend on the volume, timing and type of orders Canndora receives, all of which are uncertain. Canndora bases its expense levels and investment plans on its estimates of net sales and gross margins. Canndora cannot be sure the same growth rates, trends, and other key performance metrics are meaningful predictors of future growth. If Canndora's assumptions prove to be wrong, Canndora may spend more than it anticipates acquiring and retaining customers or may generate lower net sales per active customer than anticipated, either of which could have a negative impact on Canndora's business, financial condition, and results of operations.

Transportation Providers

Failure by Canndora's transportation providers to deliver products on time, or at all, could result in lost sales. Canndora currently relies upon third-party transportation providers for a significant portion of product shipments. Utilization of delivery services for shipments is subject to risks, including increases in fuel prices, which would increase its shipping costs, and employee strikes and inclement weather, which may impact the ability of providers to provide delivery services that adequately meet shipping needs. Canndora periodically changes shipping companies, and could face logistical difficulties that could adversely affect deliveries. In addition, Canndora could incur costs and expend resources in connection with such change. Moreover, Canndora may not be able to obtain terms as favorable as those it receives from the third-party transportation providers that it currently uses, which in turn would increase costs and thereby adversely affect operating results.

Due to its direct to customer shipping model, Canndora depends on fast and efficient third-party transportation services to distribute its products. Any prolonged disruption of third-party transportation services could have a material adverse effect on Canndora's business, financial condition and results of operations. Rising costs associated with third party transportation services used by Canndora to ship products may also adversely impact Canndora's business, financial condition and results of operations.

As well, if in the future Canndora expands its business into distribution and sale of cannabis products, security of such products during transportation will be of utmost concern. A breach of security during transport or delivery could have a material adverse effect on Canndora's business, financial condition and results of operations. Any breach of security during transport or delivery, including any failure to comply with recommendations or requirements of applicable regulatory requirements concerning the transport and delivery of products containing cannabis, could have an impact on Canndora's ability to continue distribution and/or sale of cannabis products, any licences authorizing the same, or the renewal thereof. Any of the foregoing may, if realized, have a material adverse effect on Canndora's business, financial condition and results of operations.

Competition

Canndora's ability to compete successfully in the e-commerce market depends upon many factors both within and beyond its control, including:

- the size and composition of Canndora's customer base;
- the number of suppliers and products that Canndora features on its website;
- the quality and responsiveness of customer service;
- Canndora's selling and marketing efforts;
- the quality, price and reliability of the products and services that Canndora offers;
- the convenience of the shopping experience that Canndora provides;
- Canndora's ability to distribute its products and services, and manage its operations; and
- Canndora's reputation and brand strength.

If Canndora fails to compete successfully in this market, Canndora's business, financial condition, and results of operations could be materially and adversely affected.

Canndora faces competition in all aspects of its business and Canndora expects such competition to intensify in the future, as existing and new competitors introduce new products and services or enhance existing products and services. Canndora has competitors with longer operating histories, larger customer bases, greater brand recognition, greater experience and more extensive commercial relationships, and greater financial, technical, marketing, and other resources. Canndora's potential new or existing competitors may be able to develop products and services better received by customers or may be able to respond more quickly and effectively than Canndora can to new or changing opportunities, technologies, regulations or customer requirements.

Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions, other than the Transactions that is contemplated in this Circular, involve a number of risks, including: (i) potential disruption of Canndora's ongoing business; (ii) distraction of management; (iii) Canndora may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of Canndora's operations; and (vi) loss or reduction of control over certain of Canndora's assets.

The presence of one or more material liabilities of an acquired company that are unknown to Canndora at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of Canndora. A strategic transaction may result in a significant change in the nature of Canndora's business, operations and strategy. In addition, Canndora may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into Canndora's operations.

Damage to Canndora's Reputation

The growing use of social and digital media by Canndora, its consumers and third parties increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about Canndora, its brands or its products on social or digital media could seriously damage Canndora's brands and reputation. If Canndora does not maintain the favorable perception of its brands, sales and profits could be negatively impacted.

Maintaining the Brand

If Canndora fails to develop and maintain its brand, business could suffer. Maintaining, promoting and positioning Canndora's brand and reputation will depend on, among other factors, the success of its products and services, quality assurance, marketing and merchandising efforts and its ability to provide a consistent, high-quality customer experience, which Canndora may not do successfully. Canndora may introduce new products or services that customers do not like, which may negatively affect its brand and reputation. Any negative publicity, regardless of its accuracy, could materially adversely affect the business. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of customers, suppliers or partners, including adverse publicity or a governmental investigation or litigation, could significantly reduce the value of Canndora's brand and significantly damage its business.

Product Innovation and Development

Failure to introduce new products or successfully improve existing products may adversely affect Canndora's ability to continue to grow. The success of Canndora's innovation and product development efforts is affected by its ability to anticipate changes in customer and consumer preferences, the technical capability of innovation staff in developing and testing products and services, including complying with applicable governmental regulations, and the success of management and sales and marketing teams in

introducing and marketing new products and services. Failure to develop and market new products and services that appeal to customers and consumers may lead to a decrease in growth, sales and profitability. Additionally, the development and introduction of new products requires substantial research, development and marketing expenditures, which Canndora may be unable to recoup if the new products do not gain widespread market acceptance. If Canndora is unsuccessful in meeting its objectives with respect to new or improved products, business could be harmed.

Canndora may experience difficulties with software development that could delay or prevent the development, introduction or implementation of new products and services. Software development involves a significant amount of time for research and development. Canndora must also continually update, test and enhance its software platform. The continual improvement and enhancement of Canndora's products and services requires significant investment and it may not have the resources to make such investment. Canndora may make significant investments in new products, new services or enhancements that may not achieve expected returns. The improvement and enhancement of the functionality, performance, reliability, design, security and scalability of Canndora's products and services is expensive and complex, and to the extent Canndora is not able to perform it in a manner that responds to its customers' evolving needs, Canndora's business, financial condition, and results of operations may be materially and adversely affected.

Changing Consumer Preferences

Consumer preferences for Canndora's products are difficult to predict and may change, and, if Canndora is unable to respond quickly to new trends, its business may be adversely affected.

Staffing and Management

Failure to attract and retain management may adversely affect Canndora's operations. Its success is substantially dependent on the continued service of certain senior management. These executives have been primarily responsible for determining the strategic direction of the business and for executing the growth strategy and are integral to the brand, culture and the reputation Canndora enjoys with suppliers, distributors, customers and consumers. The loss of the services of any of these executives could have a material adverse effect on the business and prospects, as Canndora may not be able to find suitable individuals to replace them on a timely basis, if at all. In addition, any such departure could be viewed in a negative light by investors and analysts, which may cause the price of Canndora's common stock to decline.

If Canndora is unable to attract, train and retain employees, including key personnel, it may not be able to grow or successfully operate its business. Canndora's success depends in part upon its ability to attract, train and retain a sufficient number of employees who understand and appreciate its culture and can represent its brand effectively and establish credibility with its business partners and consumers. If Canndora is unable to hire and retain employees capable of meeting its business needs and expectations, its business and brand image may be impaired. Any failure to meet Canndora's staffing needs or any material increase in turnover rates of employees may adversely affect the business, results of operations and financial condition.

Conflicts of Interest

Canndora may be subject to various potential conflicts of interest because of the fact that some of its directors and executive officers may be engaged in a range of business activities. In addition, Canndora's directors and executive officers may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to Canndora and subject to any contractual restrictions restricting such activities. In some cases, Canndora's executive officers and

directors may have fiduciary obligations associated with business interests that interfere with their ability to devote time to Canndora's business and affairs, which could adversely affect Canndora's operations. These business interests could require significant time and attention of Canndora's executive officers and directors.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws and policies of Canndora. For example, a director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it and absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. In accordance with applicable laws, the directors of Canndora are required to act honestly and in good faith with a view to the best interests of Canndora.

Intellectual Property Infringement

The software, computer hardware and technology industries are characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents and other intellectual property rights. Third parties may in the future assert, that Canndora's products, services, platform, hardware, solutions, technology, methods or practices infringe, misappropriate or otherwise violate their intellectual property or other proprietary rights. Such claims may be made by Canndora's competitors seeking to obtain a competitive advantage or by other parties. Additionally, non-practicing entities purchasing intellectual property assets for the purpose of making claims of infringement may attempt to extract settlements from Canndora.

Any such claims, regardless of merit, that result in litigation could result in substantial expenses, divert the attention of management, cause significant delays in introducing new or enhanced services or technology, materially disrupt the conduct of Canndora's business and have a material and adverse effect on Canndora's brand, business, financial condition and results of operations. Litigation is inherently uncertain and can cause Canndora to expend significant money, time and attention to it, even if Canndora is ultimately successful. Any adverse decision could result in a loss of Canndora's proprietary rights, subject Canndora to significant liabilities, require Canndora to seek licenses for alternative technologies from third parties, prevent Canndora from offering all or a portion of its products and services and otherwise negatively affect Canndora's business and operating results.

Third Parties

Canndora anticipates that the growth of its business will depend on third-party relationships, including relationships with app developers, theme designers, referral sources, resellers, payment processors, fulfillment and shipping partners, content providers, cloud providers, internet service providers, providers of online sales channels and other partners. Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating third-party content and technology. These third parties may choose to terminate their relationships with Canndora or to make material changes to their businesses, products or services.

Canndora's competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce demand and sales for Canndora's products and services. In addition, these third parties may not perform as expected under Canndora's agreements, and Canndora may in the future have disagreements or disputes with such third parties. If Canndora loses access to products or services from a particular supplier, or experiences a significant disruption in the supply of products or services from a current supplier, especially a single-source supplier, it could have an adverse effect on Canndora's business and operating results.

Changes in Tax Treatment for E-Commerce

New legislation or regulations, the application of laws and regulations from jurisdictions, including other countries whose laws do not currently apply to Canndora's business, or the application of existing laws and regulations to the internet and commercial online services could similarly result in significant additional taxes on Canndora's business. These taxes or tax collection obligations could have an adverse effect on Canndora, including by way of creating additional administrative burdens on Canndora. Canndora's effective income tax rate as well as the cost and growth of its business could be materially and adversely affected, which could in turn have a material adverse effect on Canndora's financial condition and results of operations.

Canndora is also subject to federal and provincial laws, regulations, and administrative practices that require Canndora to collect information from its customers, vendors, merchants, and other third parties for tax reporting purposes and report such information to various government agencies. The scope of such requirements continues to expand, requiring Canndora to develop and implement new compliance systems. Failure to comply with such laws and regulations could result in significant penalties. Canndora cannot predict the effect of current attempts to impose sales, income or other taxes on e-commerce. New or revised taxes would likely increase the cost of doing business online and decrease the attractiveness of selling products over the internet. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have a material adverse effect on Canndora's business, financial condition, and results of operations.

Climate Change

There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Such climate change may negatively affect Canndora's business and operations.

Intellectual Property Protection

Canndora may not be able to protect its intellectual property adequately, which may harm the value of its brand. Canndora believes that its intellectual property has substantial value. Canndora also relies on unpatented proprietary expertise, formulae and other trade secrets and copyright protection to develop and maintain its competitive position. Canndora's continued success depends, to a significant degree, upon its ability to protect and preserve its intellectual property, including its trademarks, trade secrets and copyrights. Canndora relies on confidentiality agreements and trademark, trade secret and copyright law to protect its intellectual property rights.

Trade secrets are difficult to protect. Although Canndora attempts to protect its trade secrets, its confidentiality agreements may not effectively prevent disclosure of proprietary information and may not provide an adequate remedy in the event of unauthorized disclosure of such information.

Canndora cannot assure you that the steps taken to protect its intellectual property rights are adequate, that its intellectual property rights can be successfully defended and asserted in the future or that third parties will not infringe upon or misappropriate any such rights. In addition, Canndora's trademark rights and related registrations may be challenged in the future and could be canceled or narrowed. Failure to protect trademark rights could prevent Canndora in the future from challenging third parties who use names and logos similar to its trademarks, which may in turn cause consumer confusion or negatively affect consumers' perception of the brand and products. In addition, if Canndora does not keep its trade secrets confidential, others may produce products and services with Canndora's trade secrets. Moreover, intellectual property disputes and proceedings and infringement claims may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether

it is successful. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject Canndora to liabilities, force it to cease use of certain trademarks or other intellectual property or force it to enter into licenses with others. Any one of these occurrences may have a material adverse effect on the business, results of operations and financial condition.

Risks Related to Being a Public Company

If Canndora fails to maintain proper and effective internal controls, its ability to produce accurate financial statements on a timely basis could be impaired, investors may lose confidence in its financial reporting and the trading price of its common stock may decline.

Canndora has been a private company since its inception and, as such, Canndora may not have had the internal control and financial reporting requirements that are required of a publicly-traded company.

Ensuring that Canndora has adequate internal financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Any failure to maintain internal control over financial reporting could severely inhibit Canndora's ability to accurately report the financial condition, results of operations or cash flows. If it is unable to conclude that Canndora's internal control over financial reporting is effective, or if its independent accounting firm determines that it has a material weakness or significant deficiency in its internal control over financial reporting investors may lose confidence in the accuracy and completeness of Canndora's financial reports, the market price of its common stock could decline, and it could be subject to sanctions or investigations regulatory authorities.

Increased Costs of Being a Public Company

The requirements of being a public company require Canndora to incur costs and may strain its resources, divert management's attention and affect its ability to attract and retain qualified board members.

Evaluation of Disclosure Controls and Procedures

Canndora's senior management has evaluated the effectiveness of its disclosure controls and procedures. Based on that evaluation, senior management concluded that its disclosure controls and procedures were effective to provide reasonable assurance that information it is required to disclose in reports that are filed or submitted pursuant to securities legislation is recorded, processed, summarized, and reported within the time periods specified and that such information is accumulated and communicated to senior management, as appropriate, to allow timely decisions regarding required disclosure.

Limitations on Effectiveness of Controls and Procedures

Management does not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Canndora have been detected.

Future Financing

Canndora may require additional financing to achieve its goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, may force it to delay, limit, reduce or terminate its product and service development, and other operations.

Canndora may, from time to time, report a working capital deficit. To maintain its activities, Canndora may need to seek additional funds through public or private equity or debt financings or other sources, such as strategic collaborations. Such financing may result in dilution to shareholders, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect Canndora's business. In addition, Canndora may seek additional capital due to favorable market conditions or strategic considerations even if it believes it has sufficient funds for its current or future operating plans.

There can be no assurance that financing will be available to Canndora or, if it is, that it will be available on terms acceptable to Canndora and will be sufficient to fund cash needs until Canndora achieves positive cash flow. If Canndora is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. Failure to obtain additional financing could also result in delay or indefinite postponement of further research and product development.

Active Trading Market

An active trading market may not be sustained. You may not be able to sell your Canndora Common Shares quickly or at a recently reported market price if trading in Canndora Common Shares does not remain active. The lack of an active market may also reduce the fair market value Canndora Common Shares and the liquidity of a shareholder's investment may be limited. An inactive market may also impair Canndora's ability to raise capital to continue to fund operations by selling Canndora Common Shares.

Public Market Sales

Future sales of Canndora Common Shares in the public market could cause Canndora Common Share price to fall. Sales of a substantial number of Canndora Common Shares in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of Canndora Common Shares intend to sell Canndora Common Shares, could reduce the market price of Canndora Common Shares.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for Canndora Common Shares will be subject to market trends generally, notwithstanding any potential success of Canndora in creating revenues, cash flows or earnings. The value of Canndora Common Shares will be affected by such volatility.

Dividends

Canndora has never paid dividends on its Canndora Common Shares and does not intend to pay dividends for the foreseeable future. Canndora anticipates that it will retain all future earnings for use in the operation of the business and for general corporate purposes. Accordingly, investors should rely on sales of their Canndora Common Shares after price appreciation, which may never occur, as the only way to realize any

future gains on their investments. Consequently, any gains from an investment in the Canndora Common Shares will likely depend on whether the price of the Canndora Common Shares increases.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best of Canndora's knowledge, there were no legal proceedings as of the date of this Circular to which Canndora was a party or of which any of Canndora's property was subject that would have had a material adverse effect on Canndora, nor are there any such legal proceedings existing or contemplated to which Canndora is a party or of which Canndora's property is subject that would have a material adverse effect on Canndora.

There have been no penalties or sanctions imposed against Canndora by a court relating to securities legislation or by a securities regulatory authority as of the date of this Circular, or any other time that would likely be considered important to a reasonable investor making an investment decision in Canndora. Canndora has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority as of the date of this Circular.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of Canndora or disclosed herein, none of the directors or executive officers of Canndora, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Canndora Common Shares, nor an associate or affiliate of any of the foregoing persons has had, during the three most recently completed financial years of Canndora or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect Canndora.

AUDITOR

The auditors of Canndora are Dale Matheson Carr-Hilton Labonte LLP Chartered Professional Accountants located at 1500 - 1140 West Pender Street, Vancouver, British Columbia V6E 4G1.

INTERESTS OF EXPERTS

Dale Matheson Carr-Hilton Labonte LLP Chartered Professional Accountants, Canndora's current auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

The aforementioned firms and persons held either less than one percent or no securities of Canndora or of any associate or affiliate of Canndora when they prepared the technical reports or information referred to, or following the preparation of such reports or information.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of Canndora or of any associate or affiliate of Canndora.

MATERIAL CONTRACTS

Canndora has the following material contracts:

1. Canndora Business Combination Agreement dated June 23, 2020, among Kootenay, Canndora and SubCo. See "*The Transactions – The Business Combination Agreements*".

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2. Intellectual Property Assignment Agreement dated April 29, 2020 between Canndora and David Jenkins whereby David Jenkins assigned to Canndora certain intellectual property relating to Canndora.

SCHEDULE A TO APPENDIX B

CANNDORA FINANCIAL STATEMENTS

FOR THE PERIOD FROM FEBRUARY 28, 2020 (DATE OF INCORPORATION) TO APRIL 30, 2020

[See Attached]

Canndora Delivery Ltd.

Financial Statements

For the period from February 28, 2020 (date of incorporation) to April 30, 2020

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Conndora Delivery Ltd.

Opinion

We have audited the financial statements of Conndora Delivery Ltd. (the "Company"), which comprise the statement of financial position as at April 30, 2020, and the statement of loss and comprehensive loss, changes in shareholder's equity and cash flows for the period from incorporation on February 28, 2020 to April 30, 2020, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2020, and its financial performance and its cash flows for the period from incorporation on February 28, 2020 to April 30, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMLC

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 6, 2020



An independent firm
associated with Moore
Global Network Limited

Canndora Delivery Ltd.
Statement of Financial Position
As at April 30, 2020
(Expressed in Canadian Dollars)

	April 30, 2020	
Assets		
Current asset		
Cash	\$	375,641
		375,641
Intangible assets (Note 5)		1,000,000
Total assets	\$	1,375,641
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 and 9)	\$	111,000
Loan payable (Notes 7 and 9)		650
Total liabilities		111,650
Shareholder's equity		
Share capital (Notes 5, 8 and 9)		1,375,000
Accumulated deficit		(111,009)
Total shareholder's equity		1,263,991
Total liabilities and shareholder's equity	\$	1,375,641

Going concern (Note 2)
Subsequent event (Note 13)

Approved by:

"David Jenkins" (signed)
David Jenkins, Director

The accompanying notes are an integral part of these financial statements.

Canndora Delivery Ltd.
Statement of Loss and Comprehensive Loss
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

	For the period from February 28, 2020 (date of incorporation) to April 30, 2020
Operating expenses	
Bank charges	\$ 9
Consulting fees (Note 9)	60,000
Professional fees	51,000
Net loss and comprehensive loss for the period	\$ (111,009)
Loss per share – basic and diluted	\$ (0.38)
Weighted average number of common shares outstanding	290,323

The accompanying notes are an integral part of these financial statements.

Canndora Delivery Ltd.**Statement of Changes in Shareholder's Equity****For the period from February 28, 2020 (date of incorporation) to April 30, 2020****(Expressed in Canadian Dollars)**

	Share Capital		Deficit	Total
	Number	Amount		
Balance, February 28, 2020 (date of incorporation)	-	\$ -	\$ -	-
Shares issued for private placement (Note 8)	15,000,000	375,000	-	375,000
Shares issued for intangible assets (Notes 5 and 8)	3,000,000	1,000,000	-	1,000,000
Net loss for the period	-	-	(111,009)	(111,009)
Balance, April 30, 2020	18,000,000	\$ 1,375,000	\$ (111,009)	\$ 1,263,991

The accompanying notes are an integral part of these financial statements.

Canndora Delivery Ltd.**Statement of Cash Flows**

For the period from February 28, 2020 (date of incorporation) to April 30, 2020

(Expressed in Canadian Dollars)

	For the period from February 28, 2020 (date of incorporation) to April 30, 2020	
Cash provided by (used in):		
Operating activities		
Net loss	\$	(111,009)
Change in working capital item:		
Accounts payable and accrued liabilities		111,000
Net cash used in operating activities		(9)
Financing activities		
Proceeds from issuance of common shares		375,000
Proceed from loan		650
Net cash provided by financing activities		375,650
Change in cash		375,641
Cash, beginning		-
Cash, ending	\$	375,641
Non-cash transaction		
Shares issued for intangible assets (Note 5)	\$	1,000,000

The accompanying notes are an integral part of these financial statements.

Cannodora Delivery Ltd.
Notes to the Financial Statements
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Cannodora Delivery Ltd. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on February 28, 2020. The Company is creating a new innovative delivery application and web-based platform that provides consumers with a convenient and easy method of purchasing cannabis products from their local dispensaries. The application allows customers to electronically interact with dispensaries, thereby improving customer experience and reducing wait times.

The address of its head office is 403-1355 Bellevue Avenue, West Vancouver, British Columbia, Canada, V7T 0B4.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has incurred net losses since incorporation and as at April 30, 2020 has a deficit of \$111,009, has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company’s continuation as a going concern is dependent upon its ability to develop and attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and/or private placement of common shares. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company’s business and financial condition.

These financial statements do not include any adjustments to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standard 1, Presentation of Financial Statements (“IAS 1”) as issued by the International Accounting Standards Board (“IASB”). The policies applied in these financial statements are based on IFRS and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) in effect at April 30, 2020.

Cannodora Delivery Ltd.
Notes to the Financial Statements
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION (CONTINUED)

(a) Statement of compliance (continued)

These financial statements were reviewed and approved by the Director and authorized for issue on July 6, 2020.

(b) Basis of preparation

The financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. These financial statements are presented in Canadian dollars, which is also the Company's functional currency. All values are rounded to the nearest dollar unless otherwise indicated.

The significant accounting policies set out in Note 4 have been applied consistently to the period presented.

(c) Significant accounting estimates and judgements

Significant estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include:

Deferred taxes

The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Cannodora Delivery Ltd.
Notes to the Financial Statements
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial instruments are initially recorded at fair value, adjusted for directly attributable transaction costs. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument's classification.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). The Company has no financial assets classified as FVTOCI.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of comprehensive loss in the period in which they arise.

Cannodora Delivery Ltd.
Notes to the Financial Statements
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Impairment of financial assets at amortized cost

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

(b) Cash

Cash consist of cash held in banks with an original maturity of three months or less at the time of purchase.

(c) Intangible assets

Intangible assets acquired through asset acquisition or business combinations are initially recognized at fair value based on an allocation of the purchase price. The amortization method, estimated useful life and residual values are reviewed each financial year end or more frequently if required, and are adjusted as appropriate. Intangible assets under development which are not ready for use are not amortized, but are evaluated for impairment annually.

(d) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Cannodora Delivery Ltd.
Notes to the Financial Statements
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Loss per share

Basic loss per share is calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. The effects of anti-dilutive potential units are ignored in calculating diluted earnings per share. All options and warrants are considered anti-dilutive when the Company is in a loss position.

(f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(g) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Cannodora Delivery Ltd.
Notes to the Financial Statements
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases

IFRS 16 Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

5. INTANGIBLE ASSETS

	Development costs
Cost:	
At February 28, 2020 (date of incorporation)	\$ -
Website and Application development	1,000,000
April 30, 2020	\$ 1,000,000

On April 29, 2020, the Company issued 3,000,000 common shares to acquire intangible assets with the fair value of \$1,000,000 (Note 8).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2020
Accounts Payable (Note 9)	\$ 60,000
Accrued liabilities	51,000
Total	\$ 111,000

Included in accounts payable is \$60,000 due to related parties (Note 9).

Cannodora Delivery Ltd.
Notes to the Financial Statements
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

7. LOAN PAYABLE

During the period ended April 30, 2020, the Company borrowed \$650 from a related party. This loan is unsecured, non-interest bearing and has no set of repayment terms. As at April 30, 2020, the loan remains outstanding (Note 9).

8. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Issued and outstanding

During the period from February 28, 2020 (date of incorporation) to April 30, 2020:

On April 29, 2020, the Company completed a private placement whereby it issued 15,000,000 common shares at \$0.025 per share for total gross cash proceeds of \$375,000.

On April 29, 2020, the Company issued 3,000,000 common shares, with a fair value of \$75,000 at the date of issuance, in connection with the acquisition of intangible assets (Note 5). The fair value of the intangible asset acquired, based on an independent valuation, was \$1,000,000 (Note 9).

(c) Stock options

As at April 30, 2020, the Company has no stock options outstanding.

(d) Share warrants

As at April 30, 2020, the Company has no share warrants outstanding.

9. RELATED PARTY TRANSACTIONS

Related party transactions

During the period from February 28, 2020 (date of incorporation) to April 30, 2020, the Company accrued consulting fees of \$60,000 to a director of the Company (Note 6).

On April 29, 2020, the Company issued 3,000,000 common shares, for the acquisition of intangible assets with fair value of \$1,000,000, to a director of the Company (Notes 5 and 8).

Related party balance

As at April 30, 2020, the Company has \$60,000 included in the accounts payable and accrued liabilities owing to a director of the Company (Note 6). Amounts due to the related party are unsecured, non-interest-bearing and have no set repayment terms.

During the period from incorporation on February 28, 2020 to April 30, 2020, the Company borrowed \$650 from a director of the Company. This loan is unsecured, non-interest bearing and has no set of repayment terms. As at April 30, 2020, the loan remains outstanding (Note 7).

Cannodora Delivery Ltd.
Notes to the Financial Statements
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

10. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	April 30, 2020
Net loss for the period	(111,009)
Statutory income tax rate	27%
Expected tax recovery	(30,000)
Change in unrecognized deductible temporary differences	30,000
Income tax expense	-

As at April 30, 2020, the Company had non-capital losses carried forward of approximately \$111,009 which may be utilized to reduce future years' taxable income and expire through to 2040 if not utilized. Deferred income tax assets have not been recognized in respect of these items because it is not probable that the Company will be able to generate sufficient taxable income upon which these deferred tax assets can be realized.

11. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments consists of cash, accounts payable and accrued liabilities and loan payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

Fair value

IFRS 9 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 inputs for the asset or liability that are not based upon observable market data.

As at April 30, 2020, Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of accounts payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Cannodora Delivery Ltd.

Notes to the Financial Statements

For the period from February 28, 2020 (date of incorporation) to April 30, 2020

(Expressed in Canadian Dollars)

11. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. At April 30, 2020, the Company had a cash balance of \$375,641 and current liabilities of \$111,650. All of the Company's financial liabilities have contractual maturities of less than 90 days. Liquidity risk is assessed as low.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at April 30, 2020, the Company is not exposed to significant market risk.

12. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company considers the items included in shareholder's equity as capital. The Company's primary source of capital comes from the issuance of capital stock.

The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek to additional funding through issuance of new shares or new debt. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long-term but recognizes there will be risks involved that may be beyond its control. There were no changes to the Company's capital management approach during the period ended April 30, 2020.

13. SUBSEQUENT EVENT

On June 23, 2020, the Company, along with Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") entered into a definitive agreement ("agreement") with Kootenay Zinc Corp. ("Kootenay") to complete a business combination (the "Transaction"). The Transaction will result in a reverse takeover and change of business of the Kootenay.

The principal terms of the Transaction are as follows:

1. Kootenay will, concurrently or prior to closing of the Transaction, complete a one-for-23 share consolidation (the "Consolidation") to reduce the number of common shares of Kootenay issued and outstanding from 14,964,324 pre-consolidated common shares to 650,623 post-consolidated common shares ("Resulting Issuer Shares").

Cannodora Delivery Ltd.

Notes to the Financial Statements

For the period from February 28, 2020 (date of incorporation) to April 30, 2020

(Expressed in Canadian Dollars)

13. SUBSEQUENT EVENT (CONTINUED)

2. Kootenay will structure the acquisition of all of the issued and outstanding shares of the Company and Greeny as a triangular amalgamation (the "Amalgamation"). Pursuant to the agreement. Shareholders of the Company, in exchange for 100% of the issued and outstanding shares of the Company, will receive 18,260,870 Resulting Issuer Shares. Greeny shareholders will receive an aggregate of 8,745,373 resulting issuer shares in exchange for their shares of Greeny.
3. Kootenay will structure the acquisition of Lifted as a takeover bid supported by the board of directors of Lifted (the "Takeover Bid") for 100% of the issued and outstanding shares of Lifted, subject to a minimum deposit condition of 50.1% of Lifted common shares. The terms of the Takeover Bid will be contained in a takeover bid circular to be delivered to the shareholders of Lifted. Assuming a take-up of 100% of the issued and outstanding Lifted shares, shareholders of Lifted will receive 61,300,000 Resulting Issuer Shares.

Concurrently with the closing of the Transaction, the Kootenay intends on completing a unit financing (the "Financing") of a minimum of \$500,000 and up to \$1,500,000. Each unit ("Unit") will be priced at \$1.15 per Unit, and consist of 1 Resulting Issuer Share, and 1 share purchase warrant, entitling the holder thereof to acquire 1 Resulting Issuer Share at a price of \$1.40 for a period of 3 years from the closing of the Financing. It is anticipated that that finder's fees consisting of 6% Units and 6% cash will be paid in respect of subscriptions from investors introduced by finders. Securities issued under the Financing will be subject to a hold period of 4 months plus 1 day from the date of distribution.

SCHEDULE B TO APPENDIX B

CANNDORA MD&A

FOR THE PERIOD FROM FEBRUARY 28, 2020 (DATE OF INCORPORATION) TO APRIL 30, 2020

[See Attached]

CANNDORA DELIVERY LTD.

Management Discussion and Analysis

For the period from February 28, 2020 (date of incorporation) to April 30, 2020

The Management Discussion and Analysis (“MD&A”), prepared July 6, 2020 should be read in conjunction with the audited financial statements and notes thereto for the period from February 28, 2020 (date of incorporation) to April 30, 2020 of Cannadora Delivery Ltd. (the “Company” or “Cannadora”) which were prepared in accordance with International Financial Reporting Standards (“IFRS”). Unless otherwise noted, all currency amounts are in Canadian dollars.

Management is responsible for the information contained in the MD&A and its consistency with information presented, reviewed and approved by the Audit Committee and Board of Directors.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “designed”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

DESCRIPTION OF BUSINESS

Cannadora was incorporated under the *Business Corporations Act* (British Columbia) on February 28, 2020. The address of its head office is 403-1355 Bellevue Avenue, West Vancouver, British Columbia, Canada, V7T 0B4.

The Company is creating a new innovative delivery application and web-based platform that provides consumers with a convenient and easy method of purchasing cannabis products from their local dispensaries. The application allows customers to electronically interact with dispensaries, thereby improving customer experience and reducing wait times.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company’s business and financial condition.

Subsequent to the period ended April 30, 2020, the Company, along with Greeny Collaboration Group (Canada) Inc. and Lifted Innovations Inc. entered into a definitive agreement with Kootenay Zinc Corp. to complete a business combination. Please refer to “Subsequent Event” for more information regarding the proposed transaction.

SUMMARY OF FINANCIAL RESULTS

	For the period from February 28, 2020 (date of incorporation) to April 30, 2020
	\$
Revenue	-
Net Loss	(111,009)
Basic and Diluted Loss Per Share	(0.38)
Total Assets	1,375,641
Total Liabilities	111,650
Long-Term Debt	-
Dividends	-

OPERATIONS

Period from February 28, 2020 (date of incorporation) to April 30, 2020

During the period from February 28, 2020 (date of incorporation) to April 30, 2020, the Company reported a net loss of \$111,009. The Company incurred \$9 in bank charges, \$60,000 in consulting fees and \$51,000 in professional fees. Since the Company did not earn any revenue, losses are expected to continue.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2020, the Company had working capital of \$263,991, inclusive of cash of \$375,641 and current liabilities of \$111,650.

Cash used in operating activities was \$9 for the period from February 28, 2020 (date of incorporation) to April 30, 2020.

There was no investing activity for the period from February 28, 2020 (date of incorporation) to April 30, 2020.

Cash provided by financing activities was \$375,650 for the period from February 28, 2020 (date of incorporation) to April 30, 2020, which was attributable to the proceeds from issuance of common shares and proceed from loan.

The Company had cash of \$375,641 at April 30, 2020, but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. Management intends to finance operating costs over the next twelve months with loans from directors and/or private placement of common shares. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

SHARE CAPITAL

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares without par value.

On April 29, 2020, the Company completed a private placement whereby it issued 15,000,000 common shares at \$0.025 per share for total gross cash proceeds of \$375,000.

On April 29, 2020, the Company issued 3,000,000 common shares, with a fair value of \$75,000 at the date of issuance, in connection with the acquisition of intangible assets. The fair value of the intangible asset acquired, based on an independent valuation, was \$1,000,000.

As at April 30, 2020 and as at July 6, 2020, the Company has no stock options outstanding.

As at April 30, 2020 and as at July 6, 2020, the Company has no share warrants outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the period from February 28, 2020 (date of incorporation) to April 30, 2020, the Company accrued consulting fees of \$60,000 to a director of the Company.

On April 29, 2020, the Company issued 3,000,000 common shares for intangible assets for \$1,000,000 to a director of the Company.

Related party balance

As at April 30, 2020, the Company has \$60,000 included in the accounts payable and accrued liabilities owing to a director of the Company. Amounts due to related party are unsecured, non-interest-bearing and have no set repayment terms.

During the period from incorporation on February 28, 2020 to April 30, 2020, the Company borrowed \$650 from a director of the Company. This loan is unsecured, non-interest bearing and has no set repayment terms. As at April 30, 2020, the loan remains outstanding.

COMMITMENTS

The Company is not subject to any commitments.

SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are described in Note 4 of the audited financial statements for the period from February 28, 2020 (date of incorporation) to April 30, 2020.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include:

Deferred taxes

The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loan payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

Fair value

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 quoted prices in active markets for identical assets or liabilities;

Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and

Level 3 inputs for the asset or liability that are not based upon observable market data.

As at April 30, 2020, Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of accounts payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. At April 30, 2020, the Company had a cash balance of \$375,641 and current liabilities of \$111,650. All of the Company's financial liabilities have contractual maturities of less than 90 days. Liquidity risk is assessed as low.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at April 30, 2020, the Company is not exposed to significant market risk.

SUBSEQUENT EVENT

On June 23, 2020, the Company, along with Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") entered into a definitive agreement ("agreement") with Kootenay Zinc Corp. ("Kootenay") to complete a business combination (the "Transaction"). The Transaction will result in a reverse takeover and change of business of the Kootenay.

The principal terms of the Transaction are as follows:

1. Kootenay will, concurrently or prior to closing of the Transaction, complete a one-for-23 share consolidation (the "Consolidation") to reduce the number of common shares of Kootenay issued and outstanding from 14,964,324 pre-consolidated common shares to 650,623 post-consolidated common shares ("Resulting Issuer Shares").
2. Kootenay will structure the acquisition of all of the issued and outstanding shares of the Company and Greeny as a triangular amalgamation (the "Amalgamation"). Pursuant to the agreement, Shareholders of the Company, in exchange for 100% of the issued and outstanding shares of the Company, will receive 18,260,870 Resulting Issuer Shares. Greeny shareholders will receive an aggregate of 8,745,373 resulting issuer shares in exchange for their shares of Greeny.
3. Kootenay will structure the acquisition of Lifted as a takeover bid supported by the board of directors of Lifted (the "Takeover Bid") for 100% of the issued and outstanding shares of Lifted, subject to a minimum deposit condition of 50.1% of Lifted common shares. The terms of the Takeover Bid will be contained in a takeover bid circular to be delivered to the shareholders of Lifted. Assuming a take-up of 100% of the issued and outstanding Lifted shares, shareholders of Lifted will receive 61,300,000 Resulting Issuer Shares.

Concurrently with the closing of the Transaction, the Kootenay intends on completing a unit financing (the "Financing") of a minimum of \$500,000 and up to \$1,500,000. Each unit ("Unit") will be priced at \$1.15 per Unit, and consist of 1 Resulting Issuer Share, and 1 share purchase warrant, entitling the holder thereof to acquire 1 Resulting Issuer Share at a price of \$1.40 for a period of 3 years from the closing of the Financing. It is anticipated that that finder's fees consisting of 6% Units and 6% cash will be paid in respect of subscriptions from investors introduced by finders. Securities issued under the Financing will be subject to a hold period of 4 months plus 1 day from the date of distribution.

BUSINESS RISK AND UNCERTAINTIES

The following are major risk factors management has identified which relate to the Company's business activities. Though the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company's business and operations. Other specific risk factors are discussed elsewhere in this MD&A.

History of Operating Losses

The Company was incorporated on February 28, 2020 and has yet to generate profit from its activities. The Company has an accumulated deficit since its incorporation through April 30, 2020 of \$111,009. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations as the Company continues its product development and establishes sales channels for its products.

Capitalization and Commercial Viability

The Company will require additional funds to continue operations. The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company to carry out the completion of all proposed activities. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to

obtain such additional financing could result in the curtailment of operations, liquidation of assets, seeking additional capital on less favourable terms and/or other remedial measures.

Competition

There is competition within the cannabis delivery services. Some other cannabis delivery service providers in Canada that are growing and have taken the cannabis delivery market by storm are located in Ontario, Alberta, Manitoba and Saskatchewan. One of the major strengths that the competitors have is their experience in the cannabis delivery service market. With more time in the industry, the competitors have more exposure and have gained knowledge on the ins-and-outs of the industry.

There can be no assurance that the Company will successfully differentiate its current and proposed services from the services of its competitors, or that the marketplace will consider the services of the Company to be superior or more cost-effective to competing services.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

APPENDIX C

INFORMATION CONCERNING GREENY

*The following information is presented on a pre-Transactions basis and reflects the business, financial and share capital position of Greeny Collaboration Group (Canada) Inc. (“Greeny”). See **Cautionary Notice Regarding Forward-Looking Statements in this Circular in respect of forward-looking statements that are included in this Schedule and in the documents incorporated by reference herein.***

All capitalized terms used in this Appendix and not defined herein have the meaning ascribed to such terms in the *Glossary of Terms* or elsewhere in this Circular. Unless otherwise indicated herein, references to “\$”, “Cdn\$” or “Canadian dollars” are to Canadian dollars, and references to “US\$” or “U.S. dollars” are to United States dollars. The information contained in this Appendix unless otherwise indicated, is given as of July 29, 2020.

PRELIMINARY NOTE

This Appendix has been prepared by the management of Greeny and contains information in respect of the business and affairs of Greeny. Information provided by Greeny is the sole responsibility of Greeny, and Kootenay does not assume any responsibility for the accuracy or completeness of such information.

NAME, INCORPORATION AND ORGANIZATIONAL STRUCTURE

Greeny Collaboration Group (Canada) Inc. was incorporated under the BCBCA on July 17, 2019 under the name 1216626 B.C. LTD. The name 1216626 B.C. LTD was changed for the name Greeny Collaboration Group (Canada) Inc. on July 24, 2019. Its corporate and registered office is located at 800-885 West Georgia Street, Vancouver BC, V6C 3H1 Canada.

Greeny has one wholly owned Subsidiary, Greeny Collaboration Group Corp., which is a C-Corporation incorporated under the laws of Delaware and registered in the state of Delaware. Its registered office is located at 420 Lexington Avenue, Suite 2020, New York, New York 10170, USA.

GENERAL DEVELOPMENT OF THE BUSINESS OF GREENY

Greeny is engaged in the business of developing a multi-state CBD online marketplace in the United States. Its objective is to provide a single destination ecommerce store offering the widest possible selection of hemp derived products available for fast home delivery. It will allow customers who live in states with recreational markets to shop for hemp derived products while also providing these and other customers nationwide with access to a wide range of CBD accessories, products infused with CBD derived from industrial hemp, and other CBD-related items that do not contain THC.

As of the date of this Circular, the Greeny website is functional and taking transactions on Shopify Plus. Greeny has already signed partnerships with 56 brands and is selling 829 different products which have an average initial margin of 50% on drop shipped items. Greeny has developed a new e-commerce strategy under which it is categorizing all of its products, and will be partnering with a brand ambassador for each of the categories. These brand ambassadors will be responsible for marketing through their social media channels, creation of new content for the Greeny website as well as other forms of promotion. Greeny has signed its first celebrity category ambassador Pete Evans, and already has more than 2,200 Instagram followers and is kicking off influencer affiliate campaign and celebrity influencer campaigns in February 2020. In January 2020, Greeny launched both paid search and SEO campaigns.

Financings

On July 24 2019, Greeny issued 4,000,100 Greeny Common Shares at a price of \$0.005 per share for a total amount of \$20,000.

On August 22, 2019, Greeny carried out a private placement consisting of the issuance of 12,909,287 common shares of Greeny being issued at a price of \$0.025 per share for total gross proceeds of \$322,732.

In August 2019, Greeny issued out 200,000 Greeny Common Shares with a fair value of \$5,000 or \$0.025 per Greeny Share for services rendered related to the buildout of Greeny's e-commerce platform.

On October 21, 2019, Greeny carried out a private placement consisting of the issuance of 950,000 Greeny Share being issued at a price of \$0.025 per share for total gross proceeds of \$23,750 including 200,000 Greeny Common Shares with a fair value of \$5,000 for services rendered related to the buildout of Greeny's e-commerce platform.

Between September 2019 and March 2020, Greeny carried out a private placement closing in a number of tranches consisting of the issuance of 410,874 Greeny Common Shares being issued at a price of \$0.50 per Greeny Share for a total gross proceeds of \$205,437, in addition to 75,000 Greeny Common Shares with a fair value of \$37,500 for fees payable related to a credit facility of \$1,500,000.

On November 25, 2019, Greeny issued a secured promissory note in a principal amount of \$250,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on November 25, 2021, and interest are payable on a monthly basis. The promissory note also has 454,545 common shares purchase warrants exercisable at \$0.55 for a period of 3 years.

On January 20, 2020, Greeny issued a second secured promissory note in a principal amount of \$250,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on January 20, 2022, and interest are payable on a monthly basis. The promissory note also has 454,545 common shares purchase warrants exercisable at \$0.55 for a period of 3 years.

On June 4, 2020, Greeny issued a third secured promissory note in a principal amount of \$150,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on June 4, 2022, and interest are payable on a monthly basis. The promissory note also has 272,727 warrants to acquire Greeny Common Shares exercisable at \$0.55 for a period of 3 years.

NARRATIVE DESCRIPTION OF BUSINESS

Principal Products or Services

Greeny will use local delivery partners to provide consumers around the country with access to CBD accessories, products made with CBD derived from industrial hemp, and other CBD-related items, all of which will be delivered directly to their doorstep. Some of the many products Greeny plans to make available in its ecommerce store include vaporizers, CBD-infused products (including tinctures, softgel capsules, gummies, balms, lotions, creams, pet drops and coffee products), accessories (including glass pipes and bongs, grinders, rolling papers, extraction equipment, apparel and fashion accessories).

Partners

In order to supply CBD products to online customers in a way that is fully legal and compliant with all state and local regulations, Greeny will partner with an existing technology platform already serving consumers in several states. This platform has both a mobile and web-based component and seamlessly connects

consumers to a retail partner near them that then provides the delivery services. The platform also provides age verification services. The technology platform Greeny plans to employ also provides a number of intuitive tools and features that benefit both sellers and buyers of CBD products. These features include:

- Age verification;
- Geolocation tracking of delivery drivers;
- Favourite store and favorite product lists; and
- Educational materials about CBD.

In addition to its partnership with an established platform for the sale and delivery of CBD, Greeny will partner with industry-leading specialists to facilitate ecommerce transactions, create video content for social sharing, launch influencer marketing campaigns, perform predictive analytics, and optimize online marketing. Although no partnerships have yet been formed, Greeny has identified potential partners in each of these spaces including:

- An e-commerce consulting company with more than 30 years combined of experience.
- An expert in digital, platform-specific video creation.
- A digitally-oriented talent agency with an impressive rolodex of Hollywood and celebrity relationships and a wealth of experience promoting lifestyle brands.
- An elite marketing analytics company with a predictive marketing automation platform designed to provides outcomes, not just data.
- A high-end digital marketing firm that specializes in bespoke, data-driven campaigns that maximize ROI.

SELECTED CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes financial information of Greeny for the nine month period ended April 30, 2020. This summary financial information should only be read in conjunction with the Greeny Financial Statements for the nine month period ended April 30, 2020.

	Nine Months Ended April 30, 2020
Operating Data:	
Total revenues:	\$12,316
Net loss from operations:	\$(1,007,416)
Basic and diluted loss per share:	\$0.05
Balance Sheet Data:	
Total assets:	\$300,010
Total liabilities:	\$437,129

DIVIDENDS

Greeny has not declared or paid any dividends on its common shares since incorporation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

A copy of the Greeny's MD&A for the nine month period ended April 30, 2020 is attached to this Appendix C as Schedule B.

The Greeny MD&A should be read in conjunction with the audited financial statements and the notes thereto for the nine month period ended April 30, 2020. The Greeny Financial Statements set out in Schedule A attached hereto to Appendix C have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

DESCRIPTION OF GREENY COMMON SHARES CAPITAL

The authorized share capital of Greeny consists of an unlimited number of common shares without par value of which 18,345,261 are issued and outstanding as fully paid and non-assessable as at the date hereof.

GREENY COMMON SHARES

Holders of Greeny Common Shares are entitled to cast one vote for each share held of record on all matters submitted to a vote of the Greeny Shareholders, including the election of directors. Greeny Shareholders do not have cumulative voting rights in the election of directors. Greeny Shareholders are entitled to receive dividends pro-rata based on the number of Greeny Common Shares held when, as and if declared by the Greeny Board, from funds legally available. Therefore, in the event of the Greeny's liquidation, dissolution or winding up, all assets and funds remaining after the payment of all debts and other liabilities shall be distributed, pro-rata, among the Greeny Shareholders. There are no redemption or sinking fund provisions applicable to the Greeny Common Shares. All outstanding Greeny Common Shares are fully paid and non-assessable.

Options

As at the date hereof, Greeny has the following issued and outstanding stock options:

Name	Number of Options	Expiry Date	Exercise Price
Frank Weil	325 000	September 16, 2024	\$0.50
Véronique Laberge	175 000	September 16, 2024	\$0.50
Joe Johnson	175 000	September 16, 2024	\$0.50
Lance Pillersdorf	110 000	September 16, 2024	\$0.50
Jordan Jasser	130 000	September 16, 2024	\$0.50
Lindsay Bressler	110 000	September 16, 2024	\$0.50
Michel Lebeuf	135 000	September 16, 2024	\$0.50
Matt Kirschner	25 000	September 16, 2024	\$0.50
Cynthia Roe	25 000	September 16, 2024	\$0.50
Geoff Schiller	25 000	September 16, 2024	\$0.50
Josh Squires-Quinn	30 000	September 16, 2024	\$0.50
Sean Dollinger	50 000	September 16, 2024	\$0.50
Duck Capital Inc.	50 000	September 16, 2024	\$0.50

Name	Number of Options	Expiry Date	Exercise Price
John Giammarella	20 000	September 16, 2024	\$0.50
Total options outstanding	1,385,000		

Share Purchase Warrants

The following table sets forth the Greeny purchase warrants outstanding as of the date hereof:

Number of Warrants	Exercise Price (C\$)	Expiry Date
11,200	\$0.50	2020-11-28
454,545	\$0.55	2022-11-25
454,545	\$0.55	2023-01-20
272,727	\$0.55	2023-06-04

Each warrant entitles the holder to acquire one Greeny Common Share upon due exercise thereof, including, without limitation, payment of the exercise price therefor.

CONSOLIDATED CAPITALIZATION

Common Shares

The following table sets forth the Greeny Common Shares as of the date hereof:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of the Record Date
Greeny Common Shares	Unlimited	18,345,261

Greeny Options

See above.

Greeny Warrants

See above.

PRIOR SALES

The following table summarizes the issuances of securities of Greeny within 12 months prior to the date hereof:

Date of Issue	Description	Number of Common Shares	Price per Share	Total Issue Price
2019-07-24	Issuance of common shares	4,000,100	\$0.005	\$20,000
2019-08-22	Issuance of common shares	12,909,287	\$0.025	\$322,732
2019-09-22	Issuance of common shares	50,000	\$0.50	\$25,000

Date of Issue	Description	Number of Common Shares	Price per Share	Total Issue Price
2019-09-26	Issuance of common shares	10,000	\$0.50	\$5,000
2019-10-21	Issuance of common shares	950,000 ⁽¹⁾	\$0.025	\$23,750
2019-10-24	Issuance of common shares	30,000	\$0.50	\$15,000
2019-11-28	Issuance of common shares	230,000	\$0.50	\$125,000
2020-01-03	Issuance of common shares	20,800 ⁽²⁾	\$0.50	\$10,400
2020-01-21	Issuance of common shares	28,074	\$0.50	\$14,037
2020-01-29	Issuance of common shares	75,000 ⁽³⁾	\$0.50	\$37,500
2020-02-06	Issuance of common shares	36,000	\$0.50	\$18,000
2020-03-10	Issuance of common shares	6,000	\$0.50	\$3,000
Total:	--	18,345,261	--	\$619,419

Notes:

- (1) Including 200,000 Greeny Common Shares for services rendered related to the buildout of Greeny's e-commerce platform.
(2) Monthly subscription agreement with Falcon Marketing LLC for services rendered.
(3) Greeny Common Shares issued as payment for the commitment fee regarding the \$1,500,000 credit facility.

TRADING PRICE AND VOLUME OF THE GREENY COMMON SHARES

The Greeny Common Shares are not traded on any stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

There are no securities of Greeny that are subject to escrow or restrictions on transfer other than standard limitations on transfer pursuant to the Articles of Greeny and applicable securities legislation.

PRINCIPAL SECURITYHOLDERS

As of the date of this Circular, there is no principal shareholder who owns more than 10% of the issued shares of Greeny. Upon completion of the Transactions, it is expected that no shareholder will, beneficially and of record, own more than 10% of the issued common shares of the Resulting Issuer.

DIRECTORS AND EXECUTIVE OFFICERS**Name, Occupation and Securityholdings**

The names and province or state and country of residence of the directors and executive officers of Greeny, positions held by them with Greeny, their principal occupations during the past five years and the number of Greeny Common Shares owned or beneficially owned, directly or indirectly, or over which control or direction is exercised, by each are as set forth below. Following the completion of the Transactions, Marc

Mulvaney will be the sole director and officer of the entity that results from the amalgamation of Canndora, Greeny and SubCo.

Name and Municipality of Residence Held	Position	Principal Occupation	Number and Percentage of Greeny Common Shares ⁽¹⁾
Frank Weil <i>Long Island, NY, USA</i>	Director and Chief Executive Officer	Chief Customer Officer for KWI, a leading retail technology company specializing in point-of-sale technology.	1,500,000 ⁽²⁾ (8.18%)
Lance Pillersdorf <i>New York, NY, USA</i>	Director	Partner at Stillwell Partners, a global consultancy focused on marketing, media and content development.	100,000 (0.55%)
Véronique Laberge <i>Laval, QC, Canada.</i>	Chief Financial Officer	Professional accountant and auditor specialized in certification mandates, general accounting, and as a business consulting.	None

Notes:

- (1) Prior to giving effect to the Transactions, based on 18,345,261 issued and outstanding Greeny Common Shares as at the date of this Circular.
- (2) Frank Weil is a beneficial owner of Greeny Common Shares through his personal holding company, Harrison Benjamin Ventures Inc.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer is, as at the date of this Circular, or has been, within ten years before the date of this document, a director or executive officer of any corporation (including Greeny) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

No director, executive officer or shareholder holding a sufficient number of securities of Greeny to materially affect the control of Greeny (a) is, as at the date of this Circular, or has been within ten years before the date of the Circular, a director or executive officer of any corporation (including Greeny) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Greeny, or a shareholder holding sufficient number of securities of Greeny to affect materially the control of Greeny, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed

by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of Greeny's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. For a list of the other reporting issuers in which directors of Greeny also serve as directors, please see the directors' and insider's profile available on SEDI at www.sedi.ca. To the extent that such other companies may participate in ventures in which Greeny may participate, the directors of Greeny may have a conflict of interest in negotiating and concluding terms regarding the extent of such participation. In the event that such a conflict of interest arises at a meeting of Greeny's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular corporation will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of Greeny making the assignment. Under the laws of Canada, the directors of Greeny are required to act honestly, in good faith and in the best interests of Greeny. In determining whether or not Greeny will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Greeny may be exposed and its financial position at that time.

EXECUTIVE COMPENSATION

During the period ended April 30, 2020, Greeny had one individual who was Named Executive Officer, Michel Lebeuf Jr, who was the sole director.

On August 12, 2019, Greeny appointed Frank Weil as Chief Executive Officer, Véronique Laberge as Chief Financial Officer and Joseph Johnson, as Chief Technology Officer. On September 26, 2019, Greeny appointed Lance Pillersdorf as a board member, Lindsay Bressler as a board member, and Jordan Jasser as a board member.

On March 27, 2020, Michel Lebeuf Jr. resigned as director of Greeny. On April 9th, 2020, Joseph Johnson resigned as Chief Technology Officer of Greeny. On April 19th, 2020, Lindsay Bressler resigned as director of Greeny. On May 15th, 2020 Jordan Jasser resigned as director of Greeny.

The following table sets forth the value of the compensation, excluding compensation securities, of Greeny's directors and Named Executive Officers, for the financial period ended July 31, 2019.

Table of compensation excluding compensation securities							
Name and Position	Period ended	Salary, Consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total Compensation
Frank Weil, Director & CEO	July 31, 2019	Nil	Nil	Nil	Nil	Nil	Nil
Véronique Laberge, CFO	July 31, 2019	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and Position	Period ended	Salary, Consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total Compensation
Lance Pillersdorf, Director	July 31, 2019	Nil	Nil	Nil	Nil	Nil	Nil
Lindsay Bressler, Former Director	July 31, 2019	Nil	Nil	Nil	Nil	Nil	Nil
Jordan Jasser, Former Director	July 31, 2019	Nil	Nil	Nil	Nil	Nil	Nil

Compensation Discussion and Analysis

Greeny does not have in place any formal objectives, criteria or analysis; compensation payable is determined by the Board of Directors.

Greeny's Board of Directors does not establish any benchmark or performance goals to be achieved or met by Named Executive Officers, however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of Greeny. The satisfactory discharge of such duties is subject to ongoing monitoring by Greeny's directors.

External Management Companies

None of Greeny's Named Executive Officers are or were an employee of Greeny.

As of the date of this Circular, Greeny has not executed any employment contracts. Greeny has three consulting agreements with three executive officers, namely, Frank Weil, CEO, Véronique Laberge, CFO and Joseph Johnson, CTO (the "**Consulting Agreements**").

Under the terms of the Consulting Agreements, Greeny currently pays a monthly fee of ten thousand American dollars (US\$10,000) to its Chief Executive Officer, Mr Frank Weil and a monthly fee of five thousand Canadian dollars (CA\$5,000) to its Chief Financial Officer, Mrs Veronique Laberge.

Stock Options and Other Compensation Securities

Greeny Options are granted to provide an incentive to the directors, officers, employees and consultants of Greeny to achieve the longer-term objectives of Greeny; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Greeny; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in Greeny.

As at the date hereof, Greeny has the following issued and outstanding stock options:

Name	Number of Options	Expiry Date	Exercise Price
Frank Weil	325 000	September 16, 2024	\$0.50
Véronique Laberge	175 000	September 16, 2024	\$0.50
Joe Johnson	175 000	September 16, 2024	\$0.50
Lance Pillersdorf	110 000	September 16, 2024	\$0.50
Jordan Jasser	130 000	September 16, 2024	\$0.50

Name	Number of Options	Expiry Date	Exercise Price
Lindsay Bressler	110 000	September 16, 2024	\$0.50
Michel Lebeuf	135 000	September 16, 2024	\$0.50
Matt Kirschner	25 000	September 16, 2024	\$0.50
Cynthia Roe	25 000	September 16, 2024	\$0.50
Geoff Schiller	25 000	September 16, 2024	\$0.50
Josh Squires-Quinn	30 000	September 16, 2024	\$0.50
Sean Dollinger	50 000	September 16, 2024	\$0.50
Duck Capital Inc.	50 000	September 16, 2024	\$0.50
John Giammarella	20 000	September 16, 2024	\$0.50
Total options outstanding	1,385,000		

Pension and Retirement Plans

Greeny does not have any pension or retirement plan which is applicable to the Named Executive Officers or directors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and during the nine month period ended April 30, 2020, no director or executive officer of Greeny (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to Greeny or its subsidiaries, or any other entity which is, or was at any time during the nine month period ended April 30, 2020, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Greeny or its subsidiaries.

RISK FACTORS

The following is a summary of certain risk factors applicable to Greeny.

The risks presented in this Circular should not be considered to be exhaustive and may not be all of the risks that Greeny and the Resulting Issuer may face.

Whether actual results, performance or achievements will conform to Greeny's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including the following:

Risks Related to the Business of Greeny

There is no certainty that Greeny will continue as a going concern. If Greeny does not, shareholders could lose their investment.

The consolidated financial statements have been prepared on the going concern basis, which assumes that Greeny will be able to realize its assets and discharge its liabilities in the normal course of business. However, as at July 31, 2019, Greeny has not earned any revenues and has accumulated \$37,688 in deficit since its inception. Greeny anticipates that it will incur increased expenses without realizing sufficient revenues (if any) to offset those expenses and Greeny therefore expects to incur significant losses for the foreseeable future. Greeny's ability to continue as a going concern is dependent on receiving continued support from its shareholders, creditors and service providers, as well as obtaining additional financing, and, most importantly, acquiring and developing a profitable business and generating future revenues. No assurance can be given that Greeny will successfully be able to do so. Importantly, the inclusion in

Greeny's consolidated financial statements of a going concern note may negatively impact its ability to raise future financing and achieve future revenue. The stated risk relating to Greeny's ability to continue as a going concern will be removed from its consolidated financial statements only when, in the opinion of Greeny's auditor, Greeny's revenues have reached a level that is able to sustain its business operations. If Greeny is unable to obtain additional financing from outside sources and generate enough revenues to become self-sustaining, Greeny may be forced to discontinue its operations. If any of these happen, you could lose all or part of your investment. Greeny has not generated any revenue since its inception on July 17, 2019. Furthermore, it is difficult for Greeny to predict its future results of operations. As a result, Greeny's losses may be larger than anticipated and Greeny may never achieve profitability. Greeny expects its operating expenses to increase over the next several years as Greeny increases its advertising, expands its offerings, hires personnel and develops features on its website and mobile applications. In particular, Greeny intends to continue to invest substantial resources in marketing to acquire customers. In addition, as Greeny grows as a newly public company, Greeny expects to incur certain legal, accounting and other expenses that Greeny did not previously incur as a private company. Furthermore, if Greeny's future growth and operating performance fail to meet investor or analyst expectations, or if Greeny has future negative cash flow or losses resulting from its investment in acquiring new customers, Greeny's financial condition and share price could be materially and adversely affected.

Negative Operating Cash Flow

Greeny currently has negative operating cash flow and is expected to continue to do so for the foreseeable future. Greeny's failure to achieve future profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If Greeny sustains losses over an extended period of time, it may be unable to continue its business. Further development of the business will require the commitment of substantial financial resources. It may be several years before Greeny will generate any revenues from operations, if at all. There can be no assurance that Greeny will realize revenue or achieve profitability.

If Greeny fails to acquire and retain customers, or fail to do so in a cost-effective manner, Greeny may be unable to increase net sales, improve margins and achieve profitability.

Greeny's success depends on its ability to acquire and retain customers and to do so in a cost-effective manner. Greeny must acquire customers in order to increase net sales, improve margins, and achieve profitability. Greeny will make significant investments related to customer acquisition. Greeny cannot assure you that the net sales from the customers it acquires will ultimately exceed the cost of acquiring those customers. If Greeny fails to deliver a quality shopping experience, or if consumers do not perceive the products it offers to be of high value and quality, Greeny may be unable to acquire or retain customers. If Greeny is unable to acquire or retain customers who purchase products in volumes sufficient to grow its business, Greeny may be unable to generate the scale necessary to achieve operational efficiency and drive beneficial network effects with its suppliers. Consequently, Greeny's prices may increase, or may not decrease to levels sufficient to generate customer interest, Greeny's net sales may decrease, and its margins and profitability may decline or not improve. As a result, Greeny's business, financial condition, and results of operations may be materially and adversely affected.

The growth of Greeny's business depends on its ability to accurately predict consumer trends, successfully introduce new products, improve existing products, and expand into new offerings.

Greeny's growth depends, in part, on its ability to successfully introduce new products to meet the requirements of its customers. It also depends on Greeny's ability to expand its offering. This, in turn, depends on Greeny's ability to predict and respond to evolving consumer trends, demands and preferences. In addition, it may be difficult to establish new supplier relationships and determine appropriate product selection. Any new product or offering may not generate sufficient customer interest

and sales to become a profitable product or to cover the costs of its promotion and, as a result, may reduce Greeny's operating income. In addition, any such unsuccessful effort may adversely affect Greeny's brand and reputation. If Greeny is unable to anticipate, identify or market products, or any new offering, that respond to changes in requirements and preferences, or Greeny's new product introductions, repositioned products, or new offerings fail to gain consumer acceptance, Greeny may be unable to grow its business as anticipated, Greeny's sales may decline and its margins and profitability may decline or not improve. As a result, Greeny's business, financial condition, and results of operations may be materially and adversely affected.

In addition, while Greeny plans to continue to invest in the development of its business, including in the expansion of its offering of products, Greeny may be unable to maintain or expand sales of its products for a number of reasons, including the loss of key suppliers and product recalls.

Greeny may be unable to accurately forecast net sales and appropriately plan its expenses in the future.

Net sales and results of operations are difficult to forecast because they generally depend on the volume, timing and type of orders Greeny receives, all of which are uncertain. Greeny bases its expense levels and investment plans on its estimates of net sales and gross margins. Greeny cannot be sure the same growth rates, trends, and other key performance metrics are meaningful predictors of future growth. If Greeny's assumptions prove to be wrong, Greeny may spend more than it anticipates acquiring and retaining customers or may generate lower net sales per active customer than anticipated, either of which could have a negative impact on Greeny's business, financial condition, and results of operations.

Greeny's estimate of the size of its addressable market may prove to be inaccurate.

Data for retail sales of CBD products is limited, and as a result, it is difficult to estimate the size of the market and predict the rate at which the market for Greeny's products will grow, if at all. While Greeny's market size estimate was made in good faith and is based on assumptions and estimates that Greeny believes to be reasonable, this estimate may not be accurate. If Greeny's estimates of the size of its addressable market are not accurate, Greeny's potential for future growth may be less than Greeny currently anticipates, which could have a material adverse effect on Greeny's business, financial condition, and results of operations.

Greeny expects competition in the CBD products retail industry, in particular Internet-based competition, generally to increase.

Greeny believes that its ability to compete successfully in this market depends upon many factors both within and beyond its control, including:

- the size and composition of Greeny's customer base;
- the number of suppliers and products that Greeny features on its website;
- the quality and responsiveness of customer service;
- Greeny's selling and marketing efforts;
- the quality, price and reliability of the products that Greeny offers;
- the convenience of the shopping experience that Greeny provides;
- Greeny's ability to distribute its products and manage its operations; and

- Greeny's reputation and brand strength.

If Greeny fails to compete successfully in this market, Greeny's business, financial condition, and results of operations could be materially and adversely affected.

Greeny may be unable to attract, source, or strengthen its existing relationships with, suppliers. In addition, the loss of any of Greeny's key suppliers would negatively impact its business.

In order to attract quality suppliers, Greeny must:

- demonstrate Greeny's ability to help its suppliers increase their sales;
- offer suppliers a high quality, cost-effective fulfillment process; and
- continue to provide suppliers a dynamic and real-time view of Greeny's demand and inventory needs.

If Greeny is unable to provide its suppliers with a compelling return on investment and an ability to increase their sales, Greeny may be unable to maintain and/or expand its supplier network, which would negatively impact Greeny's business.

Greeny purchases significant amounts of products from a number of suppliers with limited supply capabilities. There can be no assurance that Greeny's current suppliers will be able to accommodate Greeny's anticipated growth or continue to supply current quantities at preferential prices. An inability of Greeny's existing suppliers to provide products in a timely or cost-effective manner could impair Greeny's growth and materially and adversely affect Greeny's business, financial condition, and results of operations. Greeny generally does not maintain long-term supply contracts with any of its CBD product suppliers and any of its hemp derived product suppliers could discontinue selling to Greeny at any time. The loss of any of Greeny's significant suppliers or the discontinuance of any preferential pricing or incentives they currently offer to Greeny would have a negative impact on Greeny's business, financial condition, and results of operations.

Greeny continually seeks to expand its base of suppliers and to identify new hemp derived products. If Greeny is unable to identify or enter into distribution relationships with new suppliers or to replace the loss of any of its existing suppliers, Greeny may experience a competitive disadvantage, Greeny's business may be disrupted and its business, financial condition, and results of operations may be adversely affected.

In addition, several of the hemp derived products Greeny currently purchases and offers for sale to its customers are not offered by Greeny's competitors. However, Greeny has not entered into formal exclusivity agreements with the suppliers for such products. In the event these suppliers choose to enter into distribution arrangements with other CBD retailers or other competitors Greeny's sales could suffer, and Greeny's business could be adversely affected.

Shipping is a critical part of Greeny's business and any changes in, or disruptions to, Greeny's shipping arrangements could adversely affect its business, financial condition, and results of operations.

Greeny currently relies on third-party national and regional logistics providers to deliver the products it offers on its website and mobile applications. If Greeny is not able to negotiate acceptable pricing and other terms with these providers, or if these providers experience performance problems or other difficulties in processing Greeny's orders or delivering its products to customers, it could negatively impact Greeny's results of operations and Greeny's customers' experience. For example, changes to the terms of Greeny's shipping arrangements may adversely impact its margins and profitability. In addition, Greeny's ability to

receive inbound inventory efficiently and ship merchandise to customers may be negatively affected by factors beyond Greeny's and these providers' control, including inclement weather, fire, flood, power loss, earthquakes, acts of war or terrorism or other events specifically impacting Greeny's or other shipping partners, such as labor disputes, financial difficulties, system failures and other disruptions to the operations of the shipping companies on which Greeny relies. Greeny is also subject to risks of damage or loss during delivery by its shipping vendors. If the products ordered by Greeny's customers are not delivered in a timely fashion or are damaged or lost during the delivery process, Greeny's customers could become dissatisfied and cease buying products through its website and mobile applications, which would adversely affect Greeny's business, financial condition, and results of operations.

Greeny's business may be adversely affected if it is unable to provide its customers with a cost-effective platform that is able to respond and adapt to rapid changes in technology.

As new mobile devices and platforms are released, it is difficult to predict the problems Greeny may encounter in developing applications for alternative devices and platforms and Greeny may need to devote significant resources to the creation, support and maintenance of such applications. If Greeny is unable to attract consumers to its website or mobile applications through these devices or are slow to develop a version of Greeny's website or mobile applications that is more compatible with alternative devices, Greeny may fail to capture a significant share of consumers in the CBD and CBD accessory market and could also lose customers, which could materially and adversely affect Greeny's business, financial condition, and results of operations.

Further, Greeny continually upgrades existing technologies and business applications and Greeny may be required to implement new technologies or business applications in the future. The implementation of upgrades and changes requires significant investments. Greeny's results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to Greeny's systems and infrastructure. In the event that it is more difficult for Greeny's customers to buy products from Greeny on their mobile devices, or if Greeny's customers choose not to buy products from Greeny on their mobile devices or to use mobile products that do not offer access to Greeny's website, Greeny could lose customers and fail to attract new customers. As a result, Greeny's customer growth could be harmed and Greeny's business, financial condition, and results of operations may be materially and adversely affected.

Greeny are subject to risks related to online payment methods.

Greeny currently accepts credit and debit card payments for purchases through its website and mobile applications. As a result, Greeny pays interchange and other fees, which may increase over time and raise Greeny's operating costs and lower profitability. Greeny is also subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for Greeny to comply.

Furthermore, as Greeny's business changes, Greeny may be subject to different rules under existing standards, which may require new assessments that involve costs above what Greeny currently pays for compliance. In the future, as Greeny offers new payment options to consumers, including by way of integrating emerging mobile and other payment methods, Greeny may be subject to additional regulations, compliance requirements and fraud. If Greeny fails to comply with the rules or requirements of any provider of a payment method Greeny accepts, if the volume of fraud in Greeny's transactions limits or terminates Greeny's rights to use payment methods Greeny currently accepts, or if a data breach occurs relating to Greeny's payment systems, Greeny may, among other things, be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, its ability to accept credit card payments from consumers or facilitate other types of online payments. If any of these events were to occur, Greeny's

business, financial condition, and results of operations could be materially and adversely affected. Greeny occasionally receive orders placed with fraudulent data. Under current credit and debit card practices, Greeny may be liable for fraudulent transactions. As a result, Greeny may suffer losses as a result of orders placed with fraudulent data even if the associated financial institution approved payment of the orders. If Greeny is unable to detect or control credit and debit card fraud, Greeny's liability for these transactions could harm Greeny's business, financial condition, and results of operations.

Greeny's business depends on network and mobile infrastructure, its third-party data center hosting facilities, other third-party providers, and its ability to maintain and scale Greeny's technology. Any significant interruptions or delays in service on Greeny's website or mobile applications or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays, and loss of customers or suppliers.

A key element of Greeny's strategy is to generate a high volume of traffic on, and use of, its website and mobile applications. Greeny's reputation and ability to acquire, retain and serve its customers are dependent upon the reliable performance of its website and mobile applications and the underlying network infrastructure. As Greeny's customer base and the amount of information shared on its website and mobile applications continue to grow, Greeny will need an increasing amount of network capacity and computing power. Greeny has spent and expects to continue to spend substantial amounts on data centers and equipment and related network infrastructure to handle the traffic on its website and mobile applications. The operation of these systems is complex and could result in operational failures. In the event that the volume of traffic of Greeny's customers exceeds the capacity of Greeny's current network infrastructure or in the event that Greeny's customer base or the amount of traffic on Greeny's website and mobile applications grows more quickly than anticipated, Greeny may be required to incur significant additional costs to enhance the underlying network infrastructure. Interruptions or delays in these systems, whether due to system failures, computer viruses, physical or electronic break-ins, undetected errors, design faults or other unexpected events or causes, could affect the security or availability of Greeny's website and mobile applications and prevent Greeny's customers from accessing Greeny's website and mobile applications. If sustained or repeated, these performance issues could reduce the attractiveness of Greeny's products and services. In addition, the costs and complexities involved in expanding and upgrading Greeny's systems may prevent it from doing so in a timely manner and may prevent Greeny from adequately meeting the demand placed on its systems. Any web or mobile platform interruption or inadequacy that causes performance issues or interruptions in the availability of Greeny's website or mobile applications could reduce consumer satisfaction and result in a reduction in the number of consumers using Greeny's products and services.

Greeny depends on the development and maintenance of the Internet and mobile infrastructure. This includes maintenance of reliable Internet and mobile infrastructure with the necessary speed, data capacity and security, as well as timely development of complementary products, for providing reliable Internet and mobile access. Greeny's business, financial condition, and results of operations could be materially and adversely affected if for any reason the reliability of Greeny's Internet and mobile infrastructure is compromised.

Greeny currently relies upon third-party data storage providers, including cloud storage solution providers. Nearly all of Greeny's data storage and analytics are conducted on, and the data and content Greeny creates associated with sales on Greeny's website and mobile applications are processed through, servers hosted by these providers. Greeny also relies on e-mail service providers, bandwidth providers, Internet service providers and mobile networks to deliver e-mail and "push" communications to customers and to allow customers to access Greeny's website.

Any damage to, or failure of, Greeny's systems or the systems of Greeny's third-party data centers or Greeny's other third-party providers could result in interruptions to the availability or functionality of

Greeny's website and mobile applications. As a result, Greeny could lose customer data and miss order fulfillment deadlines, which could result in decreased sales, increased overhead costs, excess inventory and product shortages. If for any reason Greeny's arrangements with its data centers or third-party providers are terminated or interrupted, such termination or interruption could adversely affect Greeny's business, financial condition, and results of operations. Greeny exercises little control over these providers, which increases Greeny's vulnerability to problems with the services they provide. Greeny could experience additional expense in arranging for new facilities, technology, services and support. In addition, the failure of Greeny's third-party data centers or any other third-party providers to meet Greeny's capacity requirements could result in interruption in the availability or functionality of Greeny's website and mobile applications.

The satisfactory performance, reliability and availability of Greeny's website, mobile applications, transaction processing systems and technology infrastructure are critical to Greeny's reputation and Greeny's ability to acquire and retain customers, as well as to maintain adequate customer service levels. Greeny's net sales depend on the number of visitors who shop on Greeny's website and mobile applications and the volume of orders that Greeny can handle. Unavailability of Greeny's website or of Greeny's mobile applications or reduced order fulfillment performance would reduce the volume of goods sold and could also materially and adversely affect consumer perception of Greeny's brand. Any slowdown or failure of Greeny's website, mobile applications or the underlying technology infrastructure could harm Greeny's business, reputation and Greeny's ability to acquire, retain and serve Greeny's customers.

The occurrence of a natural disaster, power loss, telecommunications failure, data loss, computer virus, an act of terrorism, cyberattack, vandalism or sabotage, act of war or any similar event, or a decision to close Greeny's third-party data centers on which Greeny normally operates or the facilities of any other third-party provider without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in the availability of Greeny's website and mobile applications. Cloud computing, in particular, is dependent upon having access to an Internet connection in order to retrieve data. If a natural disaster, blackout or other unforeseen event were to occur that disrupted the ability to obtain an Internet connection, Greeny may experience a slowdown or delay in Greeny's operations. While Greeny has some limited disaster recovery arrangements in place, Greeny's preparations may not be adequate to account for disasters or similar events that may occur in the future and may not effectively permit Greeny to continue operating in the event of any problems with respect to Greeny's systems or those of Greeny's third-party data centers or any other third-party facilities. Greeny's disaster recovery and data redundancy plans may be inadequate, and Greeny's business interruption insurance may not be sufficient to compensate Greeny for the losses that could occur. If any such event were to occur to Greeny's business, Greeny's operations could be impaired and Greeny's business, financial condition, and results of operations may be materially and adversely affected.

Greeny's reliance on "Software-as-a-Service" technologies from third parties may adversely affect Greeny's business and results of operations.

Greeny relies on "software-as-a-service" technologies from third parties in order to operate critical functions of Greeny's business, including financial management services, customer relationship management services, supply chain services and data storage services. If these services become unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices, or for any other reason, Greeny's expenses could increase, Greeny's ability to manage its finances could be interrupted, Greeny's processes for managing sales of its offerings and supporting its customers could be impaired, Greeny's ability to communicate with its suppliers could be weakened and Greeny's ability to access or save data stored to the cloud may be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could harm Greeny's business, financial condition, and results of operations.

Greeny's failure or the failure of third-party service providers to protect Greeny's website, networks, and systems against cybersecurity incidents, or otherwise to protect Greeny's confidential information, could damage Greeny's reputation and brand and substantially harm Greeny's business, financial condition, and results of operations.

As a result of Greeny's services being web based, Greeny collects, processes, transmits and stores large amounts of data about Greeny's customers, suppliers and others, including credit card information and personally identifiable information, as well as other confidential and proprietary information. Greeny also employs third-party service providers for a variety of reasons, including storing, processing and transmitting proprietary, personal and confidential information on Greeny's behalf. While Greeny relies on tokenization solutions licensed from third parties in an effort to securely transmit confidential and sensitive information, including credit card numbers, advances in computer capabilities, new technological discoveries or other developments may result in the whole or partial failure of this technology to protect this data from being breached or compromised. Similarly, Greeny's security measures, and those of Greeny's third-party service providers, may not detect or prevent all attempts to hack Greeny's systems or those of Greeny's third-party service providers. DDoS attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other cybersecurity incidents and similar disruptions that may jeopardize the security of information stored in or transmitted by Greeny's website, networks and systems or that Greeny or its third-party service providers otherwise maintain, including payment card systems, may subject Greeny to fines or higher transaction fees or limit or terminate Greeny's access to certain payment methods. Greeny and its service providers may not anticipate or prevent all types of attacks until after they have already been launched, and techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against Greeny or its third-party service providers. In addition, cybersecurity incidents can also occur as a result of non-technical issues, including intentional or inadvertent breaches by Greeny's employees or by persons with whom Greeny has commercial relationships.

Breaches of Greeny's security measures or those of Greeny's third-party service providers or any cybersecurity incident could result in unauthorized access to Greeny's website, networks and systems; unauthorized access to and misappropriation of consumer information, including consumers' personally identifiable information, or other confidential or proprietary information of ourselves or third parties; viruses, worms, spyware or other malware being served from Greeny's website, networks or systems; deletion or modification of content or the display of unauthorized content on Greeny's website; interruption, disruption or malfunction of operations; costs relating to cybersecurity incident remediation, deployment of additional personnel and protection technologies, response to governmental investigations and media inquiries and coverage; engagement of third party experts and consultants; litigation, regulatory action and other potential liabilities. If any of these cybersecurity incidents occur, or there is a public perception that Greeny, or Greeny's third-party service providers, have suffered such a breach, Greeny's reputation and brand could also be damaged and Greeny could be required to expend significant capital and other resources to alleviate problems caused by such cybersecurity incidents. As a consequence, Greeny's business could be materially and adversely affected and Greeny could also be exposed to litigation and regulatory action and possible liability. In addition, any party who is able to illicitly obtain a customer's password could access the customer's transaction data or personal information. Any compromise or breach of Greeny's security measures, or those of Greeny's third-party service providers, could violate applicable privacy, data security and other laws, and cause significant legal and financial exposure, adverse publicity and a loss of confidence in Greeny's security measures, which could have a material adverse effect on Greeny's business, financial condition, and results of operations. This is more so since governmental authorities throughout Canada, the United States and around the world are devoting more attention to data privacy and security issues.

While Greeny maintains privacy, data breach and network security liability insurance, Greeny cannot be certain that Greeny's coverage will be adequate for liabilities actually incurred or that insurance will

continue to be available to Greeny on economically reasonable terms, or at all. Additionally, even though Greeny continues to devote significant resources to monitor and update Greeny's systems and implement information security measures to protect Greeny's systems, there can be no assurance that any controls and procedures Greeny has in place will be sufficient to protect Greeny from future cybersecurity incidents. As cyber threats are continually evolving, Greeny's controls and procedures may become inadequate and Greeny may be required to devote additional resources to modify or enhance Greeny's systems in the future. As a result, Greeny may face interruptions to its systems, reputational damage, claims under privacy and data protection laws and regulations, customer dissatisfaction, legal liability, enforcement actions or additional costs, any and all of which could adversely affect Greeny's business, financial condition, and results of operations.

Greeny depends on its relationships with other third parties and system failures or other disruptions in the operations of these parties could adversely impact Greeny's business, financial condition, and results of operations.

Greeny uses and relies on services from other third parties, such as Greeny's telecommunications services and credit card processors, and those services may be subject to outages and interruptions that are not within Greeny's control. Failures by Greeny's telecommunications providers may interrupt Greeny's ability to provide phone support to Greeny's customers and DDoS attacks directed at Greeny's telecommunication service providers could prevent customers from accessing Greeny's website. In addition, Greeny has in the past and may in the future experience down periods where Greeny's third-party credit card processors are unable to process the online payments of Greeny's customers, disrupting Greeny's ability to receive customer orders. Disruptions to Greeny's customer support, website and credit card processing services could lead to customer dissatisfaction, which would adversely affect Greeny's business, financial condition, and results of operations.

Risks associated with Greeny's suppliers, many of which are located outside of the United States, could materially and adversely affect Greeny's business, financial condition, and results of operations.

Greeny depends on a number of suppliers to provide Greeny's customers with a wide range of products in a timely and efficient manner. Political and economic instability, the financial stability of Greeny's suppliers, their ability to meet Greeny's standards, labor problems, merchandise quality issues, currency exchange rates, transport availability and cost, transport security, and inflation, among other factors, are beyond Greeny's control and may materially and adversely affect Greeny's suppliers and, in turn, Greeny's business, financial condition, and results of operations.

In addition, a significant portion of Greeny's suppliers manufacture products in Asia. Manufacturing in these locations or transit to final destinations may be disrupted for a variety of reasons including, but not limited to, natural and man-made disasters, information technology system failures, commercial disputes, trade restrictions, military actions or economic, business, labor, environmental, public and worker health and safety and political issues. Moreover, certain policies and statements of the President of the United States and senior administration officials have given rise to uncertainty regarding the future of international trade agreements and the United States' position on international trade. It remains unclear what additional actions, if any, the current United States administration will take with respect to trade relationships, and additional trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could increase the cost or reduce the supply of products available to Greeny and to Greeny's suppliers based in the United States and may require Greeny to modify Greeny's supply chain organization or other current business practices, any of which could harm Greeny's business, financial condition, and results of operations. Any event causing a disruption or delay of imports from suppliers with international manufacturing operations, including the imposition of additional import restrictions or increased tariffs or quotas, could increase the cost or reduce the supply of products available to Greeny's customers, which could materially and adversely affect Greeny's business, financial condition, and results of operations.

Failure to comply with federal and state laws and regulations relating to privacy, data protection, advertising and consumer protection, or the expansion of current or the enactment of new laws or regulations relating to privacy, data protection, advertising and consumer protection, could adversely affect Greeny's business, financial condition, and results of operations.

Greeny relies on a variety of marketing techniques, including email and social media marketing and postal mailings, and Greeny is subject to various laws and regulations that govern such marketing and advertising practices. A variety of federal and state laws and regulations govern the collection, use, retention, sharing and security of consumer data, particularly in the context of online advertising which Greeny relies upon to attract new customers.

Laws and regulations relating to privacy, data protection, marketing and advertising, and consumer protection are evolving and subject to potentially differing interpretations. These requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or Greeny's practices. As a result, Greeny's practices may not have complied or may not comply in the future with all such laws, regulations, requirements and obligations. Any failure, or perceived failure, by Greeny to comply with Greeny's posted privacy policies or with any federal or state privacy or consumer protection-related laws, regulations, industry self-regulatory principles, industry standards or codes of conduct, regulatory guidance, orders to which Greeny may be subject or other legal obligations relating to privacy or consumer protection could adversely affect Greeny's reputation, brand and business, and may result in claims, proceedings or actions against Greeny by governmental entities, customers, suppliers or others or other liabilities or may require Greeny to change Greeny's operations and/or cease using certain data sets. Any such claims, proceedings or actions could hurt Greeny's reputation, brand and business, force Greeny to incur significant expenses in defense of such proceedings or actions, distract Greeny's management, increase Greeny's costs of doing business, result in a loss of customers and suppliers and result in the imposition of monetary penalties. Greeny may also be contractually required to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any laws, regulations or other legal obligations relating to privacy or consumer protection or any inadvertent or unauthorized use or disclosure of data that Greeny stores or handles as part of operating Greeny's business.

United States federal and state governmental authorities continue to evaluate the privacy implications inherent in the use of third-party "cookies" and other methods of online tracking for behavioral advertising and other purposes. The United States government has enacted, has considered or is considering legislation or regulations that could significantly restrict the ability of companies and individuals to engage in these activities, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. Additionally, some providers of consumer devices and web browsers have implemented, or announced plans to implement, means to make it easier for Internet users to prevent the placement of cookies or to block other tracking technologies, which could if widely adopted result in the use of third-party cookies and other methods of online tracking becoming significantly less effective. The regulation of the use of these cookies and other current online tracking and advertising practices or a loss in Greeny's ability to make effective use of services that employ such technologies could increase Greeny's costs of operations and limit Greeny's ability to acquire new customers on cost-effective terms and consequently, materially and adversely affect Greeny's business, financial condition, and results of operations.

In addition, various United States federal and state legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, consumer protection, and advertising. For example, in June 2018 the State of California enacted the CCPA, which came into effect on January 1, 2020. The CCPA requires companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, and allows consumers to opt out of certain data sharing with third parties and provides a new cause of action for data breaches. Additionally,

the United States Federal Trade Commission and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination and security of data. Each of these privacy, security, and data protection laws and regulations, and any other such changes or new laws or regulations, could impose significant limitations, require changes to Greeny's business, or restrict Greeny's use or storage of personal information, which may increase Greeny's compliance expenses and make Greeny's business more costly or less efficient to conduct. In addition, any such changes could compromise Greeny's ability to develop an adequate marketing strategy and pursue Greeny's growth strategy effectively, which, in turn, could adversely affect Greeny's business, financial condition, and results of operations.

Health concerns could affect Greeny's business.

Greeny could be adversely affected if consumers lose confidence in the safety and quality of Greeny's vendor-supplied CBD products. All of Greeny's suppliers are required to comply with applicable product safety laws and Greeny is dependent upon them to ensure such compliance. Adverse publicity about these types of concerns, whether valid or not, may discourage consumers from buying the products that Greeny offers, or cause supplier production and delivery disruptions. The real or perceived sale of bad CBD products by Greeny could result in product liability claims against Greeny's suppliers or Greeny, expose Greeny or its suppliers to governmental enforcement action or private litigation, or lead to costly recalls and a loss of consumer confidence, any of which could have an adverse effect on Greeny's business, financial condition, and results of operations. While Greeny carries product liability insurance, Greeny's insurance may not be adequate to cover all liabilities Greeny may incur in connection with product liability claims. For example, punitive damages are generally not covered by insurance. In addition, Greeny may be unable to continue to maintain Greeny's existing insurance, obtain comparable insurance at a reasonable cost, if at all, or secure additional coverage, which may result in future product liability claims being uninsured.

Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or failure by Greeny to comply with these regulations could substantially harm Greeny's business, financial condition, and results of operations.

Greeny is subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e-commerce. Existing and future regulations and laws could impede the growth of the Internet, e-commerce or mobile commerce, which could in turn adversely affect Greeny's growth. These regulations and laws may involve taxes, tariffs, privacy and data security, anti-spam, content protection, electronic contracts and communications, consumer protection and Internet neutrality. It is not clear how existing laws governing issues such as property ownership, sales and other taxes and consumer privacy apply to the Internet as the vast majority of these laws were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e-commerce. It is possible that general business regulations and laws, or those specifically governing the Internet or e-commerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or Greeny's practices. Greeny cannot be sure that Greeny's practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by Greeny to comply with any of these laws or regulations could result in damage to Greeny's reputation, a loss in business and proceedings or actions against Greeny by governmental entities, customers, suppliers or others. Any such proceeding or action could hurt Greeny's reputation, force Greeny to spend significant amounts in defense of these proceedings, distract Greeny's management, increase Greeny's costs of doing business, decrease the use of Greeny's website and mobile applications by consumers and suppliers and may result in the imposition of monetary liabilities. Greeny may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. As a result, adverse developments with respect to these

laws and regulations could substantially harm Greeny's business, financial condition, and results of operations.

If Greeny's internal control over financial reporting or Greeny's disclosure controls and procedures are not effective, Greeny may be unable to accurately report its financial results, prevent fraud or file its periodic reports in a timely manner, which may cause investors to lose confidence in Greeny's reported financial information and may lead to a decline in Greeny's stock price.

Greeny has been a private company since Greeny's inception and, as such, Greeny has not had the internal control and financial reporting requirements that are required of a publicly-traded company. In particular, Greeny must perform system and process evaluation, document Greeny's controls and perform testing of Greeny's key control over financial reporting to allow management and Greeny's independent public accounting firm to report on the effectiveness of Greeny's internal control over financial reporting. Greeny's testing, or the subsequent testing by Greeny's independent public accounting firm, may reveal deficiencies in Greeny's internal control over financial reporting that are deemed to be material weaknesses. If Greeny or its accounting firm identify deficiencies in Greeny's internal control over financial reporting that are deemed to be material weaknesses, the market price of Greeny's stock would likely decline and Greeny could be subject to lawsuits, sanctions or investigations by regulatory authorities, which would require additional financial and management resources.

The requirements of being a public company may strain Greeny's resources, divert management's attention and affect Greeny's ability to attract and retain qualified board members.

As a public company, Greeny will be subject to the reporting requirements of Securities Laws and Exchange rules. The requirements of these rules and regulations will increase Greeny's legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on Greeny's systems and resources. In order to maintain and, if required, improve Greeny's disclosure controls and procedures and internal control over financial reporting to meet the required standards, significant resources and management oversight may be required, and management's attention may be diverted from other business concerns. These rules and regulations could also make it more difficult for Greeny to attract and retain qualified independent members of Greeny's board of directors. Additionally, Greeny expects these rules and regulations to make it more difficult and more expensive for Greeny to obtain director and officer liability insurance. Greeny may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. Furthermore, because Greeny has not operated as a company with equity listed on a national securities exchange in the past, Greeny might not be successful in implementing these requirements. The increased costs of compliance with public company reporting requirements and Greeny's potential failure to satisfy these requirements could have a material adverse effect on Greeny's operations, business, financial condition or results of operations.

Changes in tax treatment of companies engaged in e-commerce may adversely affect the commercial use of Greeny's website and mobile applications and Greeny's financial results.

On June 21, 2018, the Supreme Court of the United States overturned a prior decision under which e-tailers had not been required to collect sales tax unless they had a physical presence in the buyer's state. As a result, a state may now enforce or adopt laws requiring e-tailers to collect and remit sales tax even if the e-tailer has no physical presence within the taxing state. In response, an increasing number of states have adopted or are considering adopting laws or administrative practices, with or without notice, that impose sales or similar value added or consumption taxes on e-commerce activity, as well as taxes on all or a portion of gross revenue or other similar amounts earned by an e-tailer from sales to customers in the state.

New legislation or regulations, the application of laws and regulations from jurisdictions, including other countries whose laws do not currently apply to Greeny's business, or the application of existing laws and regulations to the Internet and commercial online services could similarly result in significant additional taxes on Greeny's business. These taxes or tax collection obligations could have an adverse effect on Greeny, including by way of creating additional administrative burdens on Greeny. For instance, the Supreme Court's recent decision and the enactment and enforcement of laws resulting therefrom could also impact where Greeny is required to file state income taxes. As a result, Greeny's effective income tax rate as well as the cost and growth of Greeny's business could be materially and adversely affected, which could in turn have a material adverse effect on Greeny's financial condition and results of operations.

Greeny is also subject to United States federal and state laws, regulations, and administrative practices that require Greeny to collect information from Greeny's customers, vendors, merchants, and other third parties for tax reporting purposes and report such information to various government agencies. The scope of such requirements continues to expand, requiring Greeny to develop and implement new compliance systems. Failure to comply with such laws and regulations could result in significant penalties. For example, Congress is considering legislation, the "Marketplace Fairness Act," that would enable state governments to collect sales and use taxes on Internet revenue from remote retailers engaged in e-commerce with no physical presence in the state. Greeny cannot predict the effect of current attempts to impose sales, income or other taxes on e-commerce. New or revised taxes would likely increase the cost of doing business online and decrease the attractiveness of selling products over the Internet. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have a material adverse effect on Greeny's business, financial condition, and results of operations.

Greeny may be unable to adequately protect Greeny's brand and Greeny's other intellectual property rights.

Greeny regards Greeny's brand, customer lists, trademarks, domain names, trade secrets, proprietary technology and similar intellectual property as critical to Greeny's success. Greeny relies on trademark, copyright and patent law, trade secret protection, agreements and other methods with Greeny's employees and others to protect Greeny's proprietary rights. Greeny might not be able to obtain broad protection in Canada and in the United States for all of Greeny's intellectual property. The protection of Greeny's intellectual property rights may require the expenditure of significant financial, managerial and operational resources. Moreover, the steps Greeny takes to protect Greeny's intellectual property may not adequately protect Greeny's rights or prevent third parties from infringing or misappropriating Greeny's proprietary rights, and Greeny may be unable to broadly enforce all of Greeny's trademarks. Any of Greeny's patents, trademarks or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. Greeny's patent and trademark applications may never be granted. Additionally, the process of obtaining patent protection is expensive and time-consuming, and Greeny may be unable to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Even if issued, there can be no assurance that these patents will adequately protect Greeny's intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent and other intellectual property rights are uncertain. Greeny also cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or intellectual property rights. Furthermore, Greeny's confidentiality agreements may not effectively prevent disclosure of Greeny's proprietary information, technologies and processes and may not provide an adequate remedy in the event of unauthorized disclosure of such information.

Greeny might be required to spend significant resources to monitor and protect Greeny's intellectual property rights. For example, Greeny may initiate claims or litigation against others for infringement, misappropriation or violation of Greeny's intellectual property rights or other proprietary rights or to establish the validity of such rights. However, Greeny may be unable to discover or determine the extent

of any infringement, misappropriation or other violation of Greeny's intellectual property rights and other proprietary rights. Despite Greeny's efforts, Greeny may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating Greeny's intellectual property rights and other proprietary rights. Any litigation, whether or not it is resolved in Greeny's favor, could result in significant expense to Greeny and divert the efforts of Greeny's technical and management personnel, which may materially and adversely affect Greeny's business, financial condition, and results of operations.

In addition, Greeny's technology platform may use open source software. The use of such open source software may subject Greeny to certain conditions, including the obligation to offer, distribute, or disclose Greeny's technology platform for no or reduced cost, make the proprietary source code subject to open source software licenses available to the public, license Greeny's software and systems that use open source software for the purpose of making derivative works, or allow reverse assembly, disassembly, or reverse engineering. Greeny monitors its use of open source software to avoid subjecting Greeny's technology platform to conditions that Greeny does not intend. However, if Greeny's technology platform becomes subject to such unintended conditions, it could have an adverse effect on Greeny's business, financial condition, and results of operations.

Greeny relies on the performance of members of management and highly skilled personnel, and if Greeny is unable to attract, develop, motivate and retain well-qualified employees, Greeny's business could be harmed.

Greeny's ability to maintain Greeny's competitive position is largely dependent on the services of Greeny's senior management and other key personnel. In addition, Greeny's future success depends on Greeny's continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. The market for such positions is competitive. Qualified individuals are in high demand and Greeny may incur significant costs to attract them. In addition, the loss of any of Greeny's senior management or other key employees or Greeny's inability to recruit and develop mid-level managers could materially and adversely affect Greeny's ability to execute Greeny's business plan and Greeny may be unable to find adequate replacements. Other than Greeny's CEO, CFO and certain other senior executives, all of Greeny's employees are at-will employees, meaning that they may terminate their employment relationship with Greeny at any time, and their knowledge of Greeny's business and industry would be extremely difficult to replace. If Greeny fails to retain talented senior management and other key personnel, or if Greeny does not succeed in attracting well-qualified employees or retaining and motivating existing employees, Greeny's business, financial condition, and results of operations may be materially and adversely affected.

Future litigation could have a material adverse effect on Greeny's business and results of operations.

Lawsuits and other administrative or legal proceedings that may arise in the course of Greeny's operations can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. In addition, lawsuits and other legal proceedings may be time consuming and may require a commitment of management and personnel resources that will be diverted from Greeny's normal business operations. Although Greeny generally maintains insurance to mitigate certain costs, there can be no assurance that costs associated with lawsuits or other legal proceedings will not exceed the limits of insurance policies. Moreover, Greeny may be unable to continue to maintain Greeny's existing insurance at a reasonable cost, if at all, or to secure additional coverage, which may result in costs associated with lawsuits and other legal proceedings being uninsured. Greeny's business, financial condition, and results of operations could be adversely affected if a judgment, penalty or fine is not fully covered by insurance.

Significant merchandise returns or refunds could harm Greeny's business.

Greeny allows its customers to return products or offer refunds, subject to Greeny's return and refunds policy. If merchandise returns or refunds are significant or higher than anticipated and forecasted, Greeny's business, financial condition, and results of operations could be adversely affected. Further, Greeny modifies its policies relating to returns or refunds from time to time, and may do so in the future, which may result in customer dissatisfaction and harm to Greeny's reputation or brand, or an increase in the number of product returns or the amount of refunds Greeny makes.

Greeny's ability to raise capital in the future may be limited and Greeny's failure to raise capital when needed could prevent Greeny from growing.

In the future, Greeny could be required to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and Greeny's failure to raise capital when needed could harm Greeny's business. Greeny may sell Greeny Common Shares, convertible securities and other equity securities in one or more transactions at prices and in a manner as Greeny may determine from time to time. If Greeny sells any such securities in subsequent transactions, investors in Greeny Common Shares may be materially diluted. New investors in such subsequent transactions could gain rights, preferences and privileges senior to those of holders of Greeny Common Shares. Debt financing, if available, may involve restrictive covenants and could reduce Greeny's operational flexibility or profitability. If Greeny cannot raise funds on acceptable terms, Greeny may be forced to raise funds on undesirable terms, or Greeny's business may contract or Greeny may be unable to grow Greeny's business or respond to competitive pressures, any of which could have a material adverse effect on Greeny's business, financial condition, and results of operations.

Limited Standardized Research on the Effect of CBD

To date, there is limited standardization in the research of the effects of CBD, and future clinical research studies may lead to conclusions that dispute or conflict with Greeny's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of CBD. Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of CBD remains in relatively early stages.

Future research and clinical trials may draw opposing conclusions to statements in this Prospectus or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to CBD, which could adversely affect social acceptance of CBD and the demand for Greeny's products.

Relative Newness of the CBD Industry and Market in Canada

Greeny will be operating its business in a relatively new industry and market, and Greeny's success in the CBD market will depend in part on its ability to attract and retain customers. In addition to being subject to general business risks applicable to a business involving an agricultural product and a regulated consumer product, Greeny will need to make significant investments in its business strategy. Greeny expects that competitors will undertake similar investments to compete with it. Competitive conditions, consumer preferences, customer requirements and spending patterns in this industry and market are relatively unknown and may have unique circumstances that differ from other existing industries and markets and cause Greeny's future efforts to develop its business to be unsuccessful or to have undesired consequences for it. As a result, Greeny may not be successful in its efforts to attract customers or to develop new CBD products and produce and distribute these CBD products, or these activities may require significantly more resources than it currently anticipate in order to be successful.

Unfavorable Publicity or Consumer Perception

Greeny believes the CBD industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of CBD and related products distributed to such consumers. Consumer perception of Greeny's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of CBD products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the CBD market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for Greeny's products and the business, results of operations, financial condition and cash flows of Greeny. Greeny's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on Greeny, the demand for Greeny's products, and the business, results of operations, financial condition and cash flows of Greeny.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of CBD and related products in general, or Greeny's products specifically, or associating the consumption of CBD or related products with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to Greeny and its activities, whether true or not. Although Greeny believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputational loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to Greeny's overall ability to advance its projects, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects

Change in Laws, Regulations and Guidelines

Greeny's operations are subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of CBD based products but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines due to matters beyond the control of Greeny may cause adverse effects business, financial condition and results of operations of Greeny. Greeny endeavours to comply with all relevant laws, regulations and guidelines.

To the best of Greeny's knowledge, Greeny is in compliance or in the process of being assessed for compliance with all such laws, regulations and guidelines.

The Cannabis Act and Cannabis Regulations came into force on October 17, 2018. The Cannabis Act and Cannabis Regulations prohibit testimonials, lifestyle branding and packaging that is appealing to youth. The restrictions on advertising, marketing and the use of logos and brand names could have a material adverse impact on Greeny's business, financial condition and results of operations. In addition, the Cannabis Act allows for licences to be granted for outdoor cultivation, which may reduce start-up capital required for new entrants in the cannabis industry. It may also ultimately lower prices. Such results may also have a material adverse impact on Greeny's business, financial condition and results of operations.

The development of Greeny's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in Canada and the United States limits Greeny's ability to compete for market share in a manner similar to other industries. If Greeny 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, Greeny's sales and operating results could be adversely affected.

Risks Inherent in Strategic Alliances

Greeny currently has, and may in the future enter into further, strategic alliances with third parties that it believes will complement or augment its existing business. Greeny's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance Greeny's business, and may involve risks that could adversely affect Greeny, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that Greeny's existing strategic alliances will continue to achieve, the expected benefits to Greeny's business or that Greeny will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing risks and uncertainties could have a material adverse effect on Greeny's business, financial condition and results of operations.

Product Liability

As a distributor of products designed to be ingested by humans, Greeny 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 manufacture and sale of marijuana products 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 marijuana products alone or in combination with other medications or substances could occur. Greeny may be subject to various product liability claims, including, among others, that the products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claims or regulatory action against Greeny could result in increased costs, could adversely affect Greeny's reputation with its clients and consumers generally, and could have a material adverse effect on Greeny's results of operations and financial condition of Greeny. There can be no assurances that Greeny 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 products.

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 products are recalled due to an alleged product defect or for any other reason, Greeny could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Greeny may also 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 Greeny has detailed procedures in place for testing finished 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 products were subject to recall, the image of that product and Greeny could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products and could have a material adverse effect on the results of operations and financial condition of Greeny.

Risks Specifically Related to the United States CBD Industry

Cannabis is Illegal under Federal United States Law

Although Greeny will not sell cannabis but only CBD and hemp-derived products, investors are cautioned that in the United States, cannabis is largely regulated at the State level. To Greeny's knowledge, some form of cannabis has been legalized in 33 States, the District of Columbia, and the territories of Guam and Puerto Rico as of February 2019. Additional States have pending legislation regarding the same. Although each State in which Greeny operates (and is currently proposing to operate) authorizes, as applicable, medical and/or adult-use cannabis production and distribution by licensed or registered entities, and numerous other States have legalized cannabis in some form, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis is illegal, and any such acts are criminal acts under federal law under any and all circumstances under the CSA. The concepts of "medical cannabis", "retail cannabis", "recreational cannabis" and "adult use cannabis" do not exist under U.S. federal law. Marijuana is a Schedule I drug under the CSA. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. Although Greeny believes that its business activities are compliant with applicable state and local laws of the United States, strict compliance with state and local laws with respect to cannabis may neither absolve Greeny of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against Greeny. Any such proceedings brought against Greeny may result in a material adverse effect on Greeny. Even where Greeny's cannabis-related activities are compliant with applicable State and local law, such activities remain illegal under United States federal law. The enforcement of relevant laws is a significant risk. The CBP enforces the laws of the United States. Crossing the border while in violation of the CSA and other related United States federal laws may result in denied admission, seizures, fines and apprehension. CBP officers administer the United States Immigration and Nationality Act to determine the admissibility of travelers, who are non-U.S. citizens, into the United States. An investment in Greeny, if it became known to CBP, could have an impact on a shareholder's admissibility into the United States and could lead to a lifetime ban on admission.

Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the United States federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on Greeny, including its reputation and ability to conduct business, its financial position, operating results, profitability or liquidity or the market price of its publicly-traded shares. In addition, it will be difficult for Greeny to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Legality of Cannabis Could be Reversed

The voters or legislatures of states in which cannabis has been legalized could potentially repeal applicable laws which permit both the operation of medical and retail cannabis and CBD businesses. These actions might force Greeny to cease some or all of Greeny's business.

Heightened Scrutiny of CBD Companies in Canada and the United States

Greeny's existing operations in the United States, and any future operations, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in the United States and Canada. Although Greeny will not sell cannabis but only CBD and hemp-derived products, given the heightened risk profile associated with cannabis in the United States, CDS may implement procedures or protocols that would prohibit or significantly impair the ability of CDS to settle trades for companies that have cannabis businesses or assets in the United States.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of the TMX MOU. The TMX 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 TMX 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 assurances given 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 to settle trades. In particular, the Greeny Common Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Greeny Common Shares through the facilities of a stock exchange.

Risks Associated with Greeny's Securities

Return on Securities is not Guaranteed

There is no guarantee that the Greeny Common Shares will earn any positive return in the short term or long term. A holding of Greeny Common Shares is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Greeny Common Shares is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

Dilution

Greeny may sell additional Greeny Common Shares or other securities that are convertible or exchangeable into Greeny Common Shares in subsequent offerings or may issue additional Greeny Common Shares or other Securities to finance future acquisitions. Greeny cannot predict the size or nature of future sales or issuances of securities or the effect, if any, that such future sales and issuances will have on the market price of the Greeny Common Shares. Sales or issuances of substantial numbers of Greeny Common Shares or other securities that are convertible or exchangeable into Greeny Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Greeny Common Shares. With any additional sale or issuance of Greeny Common Shares or other securities that are convertible or exchangeable into Greeny Common Shares, investors will suffer dilution to their voting power and economic interest in Greeny. Furthermore, to the extent holders of Greeny's stock options or other convertible securities convert or exercise their securities and sell the Greeny Common Shares they receive, the trading price of the Greeny Common Shares on the CSE may decrease due to the additional amount of Greeny Common Shares available in the market.

Volatile Market Price of the Greeny Common Shares

The market price of the Greeny Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Greeny's control. This volatility may affect the ability of holders of Greeny Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Greeny Common Shares may be due to Greeny's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by Greeny or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Greeny Common Shares.

Financial markets have historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Greeny Common Shares may decline even if Greeny's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, Greeny's operations could be adversely impacted, and the trading price of the Greeny Common Shares may be materially adversely affected.

Liquidity

Shareholders of Greeny may be unable to sell significant quantities of Greeny Common Shares into the public trading markets without a significant reduction in the price of their Greeny Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Greeny Common Shares on the trading market, and that Greeny will continue to meet the listing requirements of the CSE.

Greeny does not intend to pay dividends and, accordingly, there will be fewer ways in which you are able to make a gain on your investment, if at all.

Greeny has never paid dividends and do not intend to pay any dividends for the foreseeable future. To the extent that Greeny may require additional funding currently not provided for in Greeny's financing plan, Greeny's funding sources may prohibit the declaration of dividends. Because Greeny does not intend to pay dividends, any gain on your investment will need to result from an appreciation in the price of the Greeny Common Shares. There will, therefore, be fewer ways in which you are able to make a gain on your investment, if at all. There is also no guarantee that your investment will appreciate or even maintain its current value.

Other Risks and Uncertainties

Although Greeny has tried to identify all significant risks, it may not have identified all risks. There may be other risks.

Greeny has sought to identify what Greeny believes to be the most significant risks to Greeny's business, but Greeny cannot predict whether, or to what extent, any of such risks may be realized nor can Greeny guarantee that Greeny has identified all possible risks that might arise. Investors should carefully consider all such risk factors before making an investment decision with respect to the Greeny Common Shares.

PROMOTERS

Other than Michel Lebeuf Jr., the former non-executive Chairman and former board member of Greeny who resigned on March 27, 2020, no person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of Greeny. Information regarding Mr. Lebeuf Jr. and his security holdings in Greeny is set forth above under the heading “Directors and Executive Officers”.

Other than as disclosed in this section and under “Executive Compensation” or elsewhere in this Circular, no person who was a promoter of Greeny within the last two years:

1. received anything of value directly or indirectly from Greeny or a Subsidiary;
2. sold or otherwise transferred any asset to Greeny or a Subsidiary within the last 2 years;
3. has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
4. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
5. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision;
or
6. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best of Greeny’s knowledge, there were no legal proceedings as of the date of this Circular to which Greeny was a party or of which any of Greeny’s property was subject that would have had a material adverse effect on Greeny, nor are there any such legal proceedings existing or contemplated to which Greeny is a party or of which Greeny’s property is subject that would have a material adverse effect on Greeny.

There have been no penalties or sanctions imposed against Greeny by a court relating to securities legislation or by a securities regulatory authority as of the date of this Circular, or any other time that would likely be considered important to a reasonable investor making an investment decision in Greeny. Greeny has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority as of the date of this Circular.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of Greeny or disclosed herein, none of the directors or executive officers of Greeny, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Greeny Common Shares, nor an associate or affiliate of any of the foregoing persons has had, during the three most recently completed financial years of Greeny or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect Greeny.

AUDITOR

The auditors of Greeny are MNP LLP.

INTERESTS OF EXPERTS

MNP LLP, Greeny's current auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

The aforementioned firms and persons held either less than one percent or no securities of Greeny or of any associate or affiliate of Greeny when they prepared the technical reports or information referred to, or following the preparation of such reports or information.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of Greeny or of any associate or affiliate of Greeny.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business and as may be described herein, Greeny has not entered into any material contracts during the most recently completed financial year or prior financial years which are still in force and effect and which may reasonably be regarded as presently material.

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by Greeny since its incorporation and that are still in effect as of the date hereof:

1. The Master Services Agreement between Greeny and TRW II, LLC dated July 24, 2019;
2. The Fulfillment Services Agreement dated August 28, 2019 between Greeny and Warehouse Goods LLC;
3. The Engagement Letter of Veronique Laberge dated July 22, 2019 as Chief Financial Officer of Greeny;
4. The Consulting Agreement between Greeny and Harrison Benjamin Ventures Inc. dated August 15, 2019;
5. The Consulting Agreement between Greeny and Josh Squires Quinn as Director of Operations dated August 30, 2019; and
6. The Professional Services Agreement between Greeny and Boston Crest Pvt. Ltd. dated August 31, 2019.

7. The Greeny Business Combination Agreement dated June 23, 2020, among Kootenay, Greeny and SubCo. See "*The Transactions – The Business Combination Agreements*".

SCHEDULE A TO APPENDIX C
GREENY FINANCIAL STATEMENTS
FOR THE INTERIM NINE MONTH PERIOD ENDED APRIL 30, 2020

[See Attached]



GREENY COLLABORATION GROUP (CANADA) INC.

**Interim Consolidated Financial Statements
(Unaudited)
For the nine months ended April 30, 2020
(Expressed in Canadian dollars)**

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MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORTING

The accompanying unaudited consolidated interim financial statements ("financial statements") of Greeny Collaboration Group (Canada) Inc. have been prepared by and are the responsibility of management and Board of Directors for all financial statement information and reporting. The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the financial statement notes. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the interim consolidated financial statements have been prepared within acceptable limits of materiality and are compliant with *IAS 34 - Interim Financial Reporting* as issued by the International Accounting Standards Board.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Regards,
Greeny Collaboration Group (Canada) Inc.


Frank Weil
Chief Executive Officer

Vancouver, BC
June 23, 2020

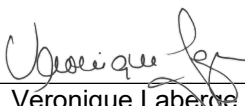
GREENY COLLABORATION GROUP (CANADA) INC.
Consolidated Interim Statements of Financial Position
As at April 30, 2020 and July 31, 2019
(Unaudited - Expressed in Canadian dollars)

	Notes	April 30, 2020	July 31, 2019 (Audited)
		\$	\$
Assets			
Current			
Cash		790	20,132
Other receivables		-	1,399
Prepaid expenses		43,480	-
Current assets		44,270	21,531
Non-current			
Intangible assets	4	255,740	133,153
Non-current assets		255,740	133,153
Total assets		300,010	154,684
Liabilities			
Current			
Accounts payable and accrued liabilities		217,756	192,372
Current liabilities		217,756	192,372
Non-Current			
Promissory notes payable	8	219,373	-
Total liabilities		437,129	192,372
Shareholders' deficiency			
Share capital	6	596,908	20,000
Accumulated other comprehensive loss		(9,236)	(252)
Contributed surplus	6	64,135	-
Warrants	6	275,926	-
Deficit		(1,064,852)	(57,436)
Total shareholders' deficiency		(137,119)	(37,688)
Total liabilities and shareholders' deficiency		300,010	154,684

Approved and authorized for dissemination by the Board of Directors on June 23, 2020



 Frank Weil CEO



 Veronique Laberge CFO

The accompanying notes are an integral part of the interim consolidated financial statements

GREENY COLLABORATION GROUP (CANADA) INC.**Consolidated Interim Statements of Loss and Comprehensive Loss****For the nine months ended April 30, 2020 and the period from July 16, 2019 (inception) to July 31, 2019
(Unaudited - Expressed in Canadian dollars)**

	Notes	Nine months ended April 30, 2020	July 31, 2019 (Audited)
			\$
Sales		12,316	-
Expenses			
Purchases		749	-
Consultants		460,380	-
Legal and audit fees		279,939	49,071
Marketing expenses		62,609	-
General and administrative expenses		39,132	8,046
Travel Expenses		21,509	-
Office		3,332	319
Share-based payments		64,135	-
Amortization		33,792	-
Interest and bank fees		54,155	-
		(1,019,732)	57,436
Net loss for the period		(1,007,416)	(57,436)
Other comprehensive loss			
Cumulative translation adjustment		(8,984)	(252)
Net loss and comprehensive loss for the period		(1,016,400)	(57,688)
Basic and diluted loss per share	5	(0.05)	(0.01)
Weighted average number of common shares outstanding	5	19,266,547	4,000,100

The accompanying notes are an integral part of the interim consolidated financial statements

GREENY COLLABORATION GROUP (CANADA) INC.

Consolidated Statements of Changes in Shareholders' Deficiency

For the nine months ended April 30, 2020 and the period from July 16, 2019 (inception) to July 31, 2019

(Unaudited - Expressed in Canadian dollars)

	Notes	<u>Issued share capital</u>		Contributed Surplus \$	Reserves \$	Accumulated OCI \$	Deficit \$	Total deficiency \$
		Common shares	Amount					
Balance, opening of the period		-	-	-	-	-	-	-
Issuance of company's common stock	6	4,000,100	20,000	-	-	-	-	20,000
Net loss for the period		-	-	-	-	-	(57,436)	(57,436)
Other comprehensive loss		-	-	-	-	(252)	-	(252)
Balance, July 31, 2019		4,000,100	20,000	-	-	(252)	(57,436)	(37,688)
Balance, August 1, 2019		4,000,100	20,000	-	-	(252)	(57,436)	(37,688)
Issuance of company's common stock	6	14,345,161	589,437	-	-	-	-	589,437
Shares issuance costs		-	(12,529)	-	-	-	-	(12,529)
Warrants	6	-	-	-	275,926	-	-	275,926
Contributed surplus	6	-	-	64,135	-	-	-	64,135
Net loss for the period		-	-	-	-	-	(1,007,416)	(1,007,416)
Other comprehensive loss		-	-	-	-	(8,984)	-	(8,984)
Balance, April 30, 2020		18,345,261	559,408	64,135	275,926	(9,236)	(1,064,852)	(137,119)

The accompanying notes are an integral part of the interim consolidated financial statements

GREENY COLLABORATION GROUP (CANADA) INC.**Consolidated Statements of Cash Flows****For the nine months ended April 30, 2020 and the period from July 16, 2019 (inception) to July 31, 2019****(Unaudited - Expressed in Canadian dollars)**

	April 30, 2020	July 31, 2019 (Audited)
	\$	\$
Operating Activities		
Net loss	(1,007,416)	(57,436)
Other comprehensive loss	(8,984)	(252)
Share-based payments	64,135	-
Amortization	33,792	-
Net changes in non-cash working capital items		
Other receivables	1,399	(1,399)
Prepaid expenses	(43,480)	-
Accounts payable and accrued liabilities	18,688	59,219
Net operating cash flows	(941,866)	132
Investing Activities		
Acquisition of intangible asset	(149,683)	-
Net investing cash flows	(149,683)	-
Financing Activities		
Proceeds from issuance of company's common stock, net	579,074	20,000
Promissory notes	493,133	-
Net financing cash flows	1,072,207	20,000
Increase (decrease) in cash resources	(19,342)	20,132
Cash resources, beginning of the period	20,132	-
Cash resources, end of the period	790	20,132
Supplementary cash flow information		
Non-cash transactions:		
Acquisition of intangible asset	(6,696)	(133,153)
Accounts payable and accrued liabilities	6,696	133,153

The accompanying notes are an integral part of the interim consolidated financial

GREENY COLLABORATION GROUP (CANADA) INC.

Notes to the interim Consolidated Financial Statements

For the nine months ended April 30, 2020

(Unaudited - Expressed in Canadian dollars)

1. Nature of operations and going concern

Greeny Collaboration Group (Canada) Inc. (the “Company” or “Greeny Canada”) and its wholly-owned subsidiary are currently building a transactional marketplace platform to sell CBD products. As of the date of these interim consolidated financial statements, Greeny website is functional and taking transactions.

Greeny Canada is the parent company of Greeny Collaboration Group Corp (USA) (the “subsidiary”). The wholly-owned subsidiary was incorporated on July 16, 2019 under laws of State of Delaware.

Greeny Canada was incorporated under the *Business Corporations Act* of British Columbia on July 17, 2019. The head office, principal address and records office of the Company are located at 800-885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

Covid-19 outbreak

Since year ended July 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company’s products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

2. Basis of presentation

Statement of compliance

These interim consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”).

These interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Use of judgments and estimates

The preparation of interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

While management believes that these estimates and judgments are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The key areas of judgment applied in the preparation of the interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

2. Basis of presentation (continued)

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses and meet its liabilities for the ensuing period, involves significant judgment based several factors, including expectation of future events that are believed to be reasonable under the circumstances.

Recovery of deferred tax assets

The measurement of taxes payable and deferred tax assets and liabilities requires management to make estimates in the interpretation and application of the relevant tax laws. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Company's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the interim consolidated financial statements.

Classification of financial instruments

All financial assets are classified in one of the following categories: fair value through profit or loss or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition. Financial assets at fair value through profit or loss are financial assets classified as held for trading or upon initial recognition are designated by the Company as fair value through profit or loss. Financial assets are classified as held for trading if acquired with the intent to sell in the short-term.

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortized costs include cash. Financial liabilities at amortized costs include accounts payable and accrued liabilities. Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

The key estimates applied in the preparation of the interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

Intangible assets - useful life

Following initial recognition, the Company carries the value of the website at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

Intangible assets not yet in use are tested for impairment on an annual basis. Impairment testing of these assets requires an estimation of their recoverable amount. The assumptions used in this estimation are included in Note 3.

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

3. Summary of significant accounting policies

The Company's principal accounting policies are outlined below and have been applied consistently to all periods presented.

(a) *Basis of consolidation*

The Company's interim financial statements consolidate the accounts of Greeny Canada, the parent company, and its wholly owned subsidiary as of April 30, 2020.

(b) *Foreign currency*

Functional and presentation

Items included in the financial statements of Company's subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency of the Company at exchange rates prevailing at the transaction dates (spot exchange rates). Monetary assets and liabilities are retranslated at the exchange rates as at April 30, 2020. Exchange gains and losses on translation or settlement are recognized in the consolidated statements of loss and comprehensive loss.

Non-monetary items that are measured at historical cost are translated using the exchange rates at the date of the transaction and non-monetary items that are measured at fair value are translated using the exchange rates at the date when the items' fair value was determined.

(c) *Cash*

Cash comprises cash in bank and demand deposits, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value

(d) *Intangible assets*

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

	Method	Years
Website	Straight-line	5 years

(e) *Revenue recognition*

The Company derives its revenues from the online sales of CBD related products and accessories through an e-commerce platform. As a result the Company has one performance obligation, the delivery of CBD related products to end users. Revenue is recognized when goods are dispatched which is generally when control of the goods has transferred from the Company to the customer.

Payment of the transaction price is due immediately at the time of the order being made by the end customer. Customer orders are dispatched on the same day the order is made, which results in the Company not having open contracts at the period end. As a result, the Company does not record any contract liabilities. Customer payments are normally made through payment gateways.

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

(f) *Equity*

Share capital

Share capital represents the amount received on the issue of shares less issuance costs.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporated all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

(g) *Income taxes*

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statements of loss and comprehensive loss.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(h) *Loss per share*

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period.

(i) *Impairment*

The Company's assets are reviewed for indicators of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually or whenever impairment indicators exist.

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

An impairment loss is recognized when the carrying amount of an asset, or its Cash Generating Unit (CGU), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

(j) Accounting policies adopted during the period

Beginning on August 1, 2019, the Company adopted certain standards and amendments. The nature and the effect of these changes are disclosed below:

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 which replaces IAS 17 Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company does not have any leases that would be applicable to this standard and the implementation of these amendments did not have a significant impact on the interim consolidated financial statements.

Conceptual Framework

On March 29, 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. This amendment is effective on January 1, 2020. The Company adopted this amendment in its interim consolidated financial statements beginning August 1, 2019 and the adoption did not have a material impact on the consolidated financial statements.

Definition of a Business

On October 22, 2018, the IASB issued a narrow scope amendment to IFRS 3. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. This amendment to IFRS 3 in its interim consolidated financial statements beginning August 1, 2019 and the adoption of the amendment to IFRS 3 did not have a material impact on the interim consolidated financial statements.

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

4. Website

	Balance, opening of the period	Additions	Balance as at April 30 2020
	\$	\$	\$
Cost			
Development costs	133,153	156,379	289,532
	133,153	156,379	289,532
Accumulated amortization			
Amortization	-	33,792	33,792
Carrying amount	133,153	122,587	255,740

During the period of nine months ended April 30, 2020, the Company continued to develop a transactional platform. The platform is now functional and generate revenues since October 2019.

5. Loss Per Common Share

Basic loss per common share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted loss per common share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding during the period, plus the effects of dilutive common share equivalents such as warrants and stock options.

Diluted net loss per share is calculated using the treasury method, where the exercise of warrants and options is assumed to be at the beginning of the period and the proceeds from the exercise of warrants and options and the amount of compensation expense measured, but not yet recognized in loss are assumed to be used to purchase common shares of the Corporation at the average market price during the period.

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

5. Loss Per Common Share (continued)

Basic and diluted loss per common share

The following table sets forth the computation of basic and diluted loss per share:

	April 30, 2020	July 31, 2019
	\$	\$
Numerator		
Loss for the period	(1,016,400)	(57,688)
Denominator		
Weighted average number of common shares outstanding for basic loss per share	16,961,257	4,000,100
Stock options	1,385,000	-
Warrants	920,290	-
Adjusted weighted-average shares outstanding for diluted loss per share	19,266,547	4,000,100
Loss per share – basic and diluted	(0.05)	(0.01)

6. Shareholder's equity

(a) Share Capital Authorized

The Company is authorized to issue an unlimited number of:

- common shares (voting)

without nominal or par value.

As at April 30, 2020, no dividends were declared or unpaid.

(b) Share Capital Issued and outstanding

18,345,261 common shares as of April 30, 2020 and 4,000,100 as of July 31, 2019.

Since the incorporation on July 17, 2019, the following share transactions occurred:

- i) On July 2019, the Company issued 4,000,100 common shares at a price of \$0.005 per share for a total amount of \$20,000.
- ii) On August 22, 2019, the Company closed a private placement and issued 13,859,287 common shares at a price of \$0.025 per share for a total amount of \$346,500.

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

6. Shareholder's equity (continued)

iii) The Company issued 485,874 common shares at a price of \$0.50 per share for a total amount of \$242,937 in a private placement closed in 7 tranches on September 19, 2019 (\$25,000), September 26, 2019 (\$5,000), October 24, 2019 (\$60,000), November 28, 2019 (\$70,000), January 3, 2020 (\$10,400), January 29, 2020 (\$69,537), and March 9, 2020 (\$3,000).

(c) *Share Purchase Options*

The Company has established a share option plan whereby the Board of Directors may from time to time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board.

On September 16, 2019 the Company granted 1,385,000 options to purchase common shares of the Corporation to the current Directors, Officers and Consultants of the Corporation, all exercisable at a price of \$0.50 for a period of 5 years.

The following summarizes the activity during the nine months ended April 30, 2020:

	<u>Number of options</u>	<u>Exercise price</u>
Balance as at August 1, 2019	-	-
Granted	1,385,000	\$0.50
Exercised	-	-
Expired/Cancelled	-	-
Balance as at April 30, 2020	1,385,000	\$0.50

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the stock options issued during the period of nine months ended April 30, 2020:

Share price	\$0.50	Total
No. of options	1,385,000	1,385,000
Exercise price ranges	\$0.50	\$0.50
Expected life in years	5	5
Volatility	223.61%	223.61%
Risk-free interest rate ranges	1.25%	1.25%
Dividend yield	-	-
Fair value of options granted	\$0.37	\$0.37

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

6. Shareholder's equity (continued)

The following table provides additional information about outstanding stock options at the end of April 30, 2020:

Exercise price	No. of options outstanding	Weighted Average Remaining Life (Years)
\$0.50	1,385,000	4.4

(d) *Contributed surplus and reserves*

The option and warrant reserve accounts have been created to record the offsetting credits of the share-based payment expense relating to the issuance of share options and warrants.

	April 30, 2020	July 31, 2019
	\$	\$
Option reserve	64,135	-
Warrants reserve	275,926	-
Total reserve	340,061	-

(e) *Warrants*

During the period of nine months ended April 30, 2020, the Company issued 11,200 warrants in connection with a private placement as broker's fees exercisable at \$0.50 over a one year period (expiration date November 28, 2020). The Company also issued 909,090 warrants in connection with two Promissory notes exercisable at \$0.55 over a three years period (expiration dates respectively November 25, 2022 and January 20, 2023). The continuity of outstanding share warrants is as follows:

	Number of warrants	Weighted average exercise price per share
		\$
Balance as at August 1, 2019	-	-
Granted	920,290	\$0.54
Exercised	-	-
Expired/Cancelled	-	-
Balance as at April 30, 2020	920,290	\$0.54

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

6. Shareholder's equity (continued)

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the share warrants issued during the period of nine months ended April 30, 2020:

Share price	\$0.50	\$0.55	Total
No. of warrants	11,200	909,090	920,290
Exercise price ranges	\$0.50	\$0.55	\$0.50-\$0.55
Expected life in years	1	3	1-3
Volatility	100%	173.21%	100%-173.21%
Risk-free interest rate ranges	1.25%	1.25%	1.25%
Dividend yield	-	-	-
Fair value of warrants granted	\$0.19	\$0.30	\$0.29

The following table provides additional information about outstanding share warrants at the end of April 30, 2020:

Exercise price	No. of Warrants outstanding	Weighted Average Remaining Life (Years)
\$0.50	11,200	0.58
\$0.55	909,090	2.66

7. Credit facility

On January 29, 2020, the Company obtained an unsecured Grid Promissory Note (term credit facility) in the amount of \$1,500,000, bearing interest at 12% per annum and maturing on June 1, 2022. Each advance made by the Company is subject to a cash advance fee, which equals to 1% of each advance. This credit facility also has a commitment fee of \$37,500 paid by the issuance of 75,000 common shares of the Company. As of April 30, 2020, the Company has not used or withdrawn any funds from the term credit facility and all fees have been paid for by the issuance of the Company Shares.

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

8. Promissory notes

On November 25, 2019, the Company issued a secured promissory note in a principal amount of \$250,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on November 25, 2021, and interest are payable on a monthly basis. The promissory note also has 454,545 common shares purchase warrants exercisable at \$0.55 for a period of 3 years. The warrants results in an increase in share capital of \$136,880. These warrants were valued using the Black-Scholes Option Pricing Model using a volatility of 100%, risk free rate of 1.25%, expected life of 3 years, dividend yield of 0%, and options vesting over a 2 years period.

On January 20, 2020, the Company issued a second secured promissory note in a principal amount of \$250,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on January 20, 2022, and interest are payable on a monthly basis. The promissory note also has 454,545 common shares purchase warrants exercisable at \$0.55 for a period of 3 years. The warrants results in an increase in share capital of \$136,880. These warrants were valued using the Black-Scholes Option Pricing Model using a volatility of 100%, risk free rate of 1.25%, expected life of 3 years, dividend yield of 0%, and options vesting over a 2 years period.

9. Related party transactions

During the period of nine months ended April 30, 2020, the following transactions occurred with related parties:

	April 30, 2020	July 31, 2019
	\$	\$
Key management transactions:		
Consulting fees to the Chief Executive Officer and director	120,537	-
Consulting fees to the Chief Financial Officer	34,952	-

Balances owed to key management include the following:

Included in accounts payable and accrued liabilities was \$27,820 due to key management for consulting fees during the period of nine months ended April 30, 2020.

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

10. Financial instruments and risk management

(a) Management of capital

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued share capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital; (ii) obtain the best available net return; and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company is not subject to externally imposed capital requirements.

(b) Fair value of financial instruments

Categories of financial assets and liabilities

The carrying amounts and fair values of financial instruments presented in the statement of financial position are as follows:

Classification	Measurement	Carrying value April 30, 2020	Fair value April 30, 2020	Carrying value July 31, 2019	Fair value July 31, 2019
Financial assets					
Cash	Amortized cost	790	790	20,132	20,132
Financial Liabilities					
Accounts payable and accrued liabilities	Amortized cost	217,756	217,756	192,372	192,372
Promissory notes	Amortized cost	219,373	219,373	-	-
		437,129	437,129	192,372	192,372

The carrying values of cash, accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

Financial assets and liabilities measured at amortized cost for which a fair value is provided in the statement of financial position are presented in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities as defined in Note 2.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The carrying values of cash, accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

GREENY COLLABORATION GROUP (CANADA) INC.
Notes to the interim Consolidated Financial Statements
For the nine months ended April 30, 2020
(Unaudited - Expressed in Canadian dollars)

10. Financial instruments and risk management (continued)

(c) Credit risk

Credit risk is the risk of a loss if a counter party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash balance. The Company limits its exposure to credit risk by holding its cash with high credit quality financial institution and cash held with legal counsel.

(d) Liquidity risk

The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at April 30, 2020, the Company had a cash balance of \$790 to settle current liabilities of \$217,756. Accounts payable and accrued liabilities are due within less than 90 days. The Company is exposed to significant liquidity risk. However, the Company has access to a credit facility and subsequently to period- end, the Company signed a promissory note of \$150,000 (Note 12).

11. Business combination agreement

On June 23, 2020, the Company signed a definitive Business Combination Agreement among Kootenay Zinc Corp. and 1251750 B.C. Ltd along with Canndora Delivery Ltd and Lifted Innovations Inc. pursuant to which Kootenay, Greeny, Canndora and Lifted have agreed to complete a business combination resulting in a reverse takeover and change of business of Kootenay, to be renamed PeakBirch Logic Inc. upon closing of the Business Combination.

Kootenay will acquire 100% of all the issued and outstanding shares of Canndora and Greeny via amalgamation under the BCBCA. Shareholders of Greeny, in exchange for 100% of the issued and outstanding shares of Greeny will receive 8,695,652 Resulting Issuer Shares. 100% of the Greeny shareholders have approved the Amalgamation.

12. Subsequent events

On June 4, 2020, the Company issued a third secured promissory note in a principal amount of \$150,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on June 4, 2022, and interest are payable on a monthly basis. The promissory note also has 272,727 common shares purchase warrants exercisable at \$0.55 for a period of 3 years.

SCHEDULE B TO APPENDIX C
GREENY MD&A
FOR THE INTERIM NINE MONTH PERIOD ENDED APRIL 30, 2020

[See Attached]



Management's Discussion and Analysis of Financial For the interim period ended April 30, 2020

Greeny Collaboration Group (Canada) inc.

The following interim management discussion and analysis ("MD&A") of the financial results is dated June 23, 2020 and reviews the operations of Greeny Collaboration Group (Canada) inc. (the "Company") for the nine months ended April 30, 2020 and should be read in conjunction with the Company's unaudited interim financial statements (including notes) for the period of nine months ended April 30, 2020 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

Forward Looking Information

Certain statements made in the MD&A, including, without limitation, statements relating to the Company's expectations concerning future revenues and earnings, market conditions and the sufficiency of capital and liquidity, constitute forward looking statements. Greeny Collaboration Group (Canada) inc. believes these statements to be true based on its knowledge as at June 23, 2020. These forward looking statements are subject to risks and uncertainties, many of which are beyond the Company control, which may cause future results to differ materially from those expected (see "Risks and Uncertainties"). The Company does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations, except as prescribed by applicable securities laws.

Description of the business

Greeny Collaboration Group (Canada) inc. was incorporated under the *Business Corporations Act* of British Columbia on July 17, 2019 and is domiciled in Canada. The head office, principal address and records office of the Company are located at 800-885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

Greeny Collaboration Group (Canada) inc is the parent company of Greeny Collaboration Group Corp (USA) (the "subsidiary"). The wholly-owned subsidiary was incorporated on July 16, 2019 under laws of State of Delaware.

Greeny Collaboration Group (Canada) inc. and its wholly-owned subsidiary are currently building a transactional marketplace platform to sell CBD products. The Company begins to have active operations at the end of 2019, as their transactional website is operational since the end of October 2019. The Company's ability to continue as a going concern depends on its ability to raise sufficient funds to pay for its ongoing operating expenses and meet its liabilities to achieve their transactional platform. The expectations of these future events are believed to be reasonable under the circumstances.

Transactional marketplace platform

Greeny's primary business is the sale and distribution of CBD related products and accessories, via its transactional marketplace platform greeny.com. The Company does not produce, distribute or sell products containing cannabis.

The website currently offers an extensive range of CBD related products and is a source of both general and specific information, reviews and media regarding the industry and related products. The Company is currently focused on expanding its product offerings and growing its U.S. presence.



E-Commerce Technology

The Company utilizes Shopify for its transactional website in order to streamline and simplify its accounting, payments and fulfilment process.

The Company relies on Shopify well-established application program interface (“API”) for integrations with other applications and software services. The Company takes advantage of these solutions and systems to automate its order processing. Its tech team also builds proprietary customized software solutions that are not otherwise available by using the API capability of Shopify which plugs into its payment processing.

Order fulfilment is possible with the various partners the Company uses. The Company has agreements in place with multiple vendors in the cannabis space that allows the Company to access their inventory of CBD-related products and utilize their fulfilment services. This in turn allows the Company to keep its operations lean and focus on building its e-commerce platform.

The technology and processing platforms that the Company utilizes enables it to operate a “dropship” business model. Under this model the Company does not own, manage or hold any physical inventory. Rather, its transactional platforms facilitate the sale and processing of products, but all warehousing and product inventory and delivery is processed through its partners. Drop-shipping enables the Company’s business to operate with very little overhead, thus maximizing margins and, ultimately, net revenue. The Company’s partners also benefit as it offers them a much larger pool of customers than they already serve.

Corporate developments and outlook

On June 23, 2020, the Company signed a definitive Business Combination Agreement among Kootenay Zinc Corp. and 1251750 B.C. Ltd along with Canndora Delivery Ltd and Lifted Innovations Inc. pursuant to which Kootenay, Greeny, Canndora and Lifted have agreed to complete a business combination resulting in a reverse takeover and change of business of Kootenay, to be renamed PeakBirch Logic Inc. upon closing of the Business Combination. Kootenay will acquire 100% of all the issued and outstanding shares of Canndora and Greeny via amalgamation under the BCBCA. Shareholders of Greeny, in exchange for 100% of the issued and outstanding shares of Greeny will receive 8,695,652 Resulting Issuer Shares. 100% of the Greeny shareholders have approved the Amalgamation.

On June 4, 2020, the Company issued a third secured promissory note in a principal amount of \$150,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on June 4, 2022, and interest are payable on a monthly basis. The promissory note also has 272,727 common shares purchase warrants exercisable at \$0.55 for a period of 3 years.

Covid-19 outbreak

Since year ended July 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company’s products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.



Basis of presentation

The interim unaudited financial statements referred to above, including comparatives, and the financial data presented in the MD&A are in Canadian dollars which is also the Company's functional currency.

These interim consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

The preparation of interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

While management believes that these estimates and judgments are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The key areas of judgment applied in the preparation of the interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Going concern
- Income taxes
- Useful life of Intangible assets
- Functional currency
- Share-based compensation
- Expected credit loss
- Impairment of non-current assets

Selected financial information

The following table sets out selected unaudited interim financial information for the period of nine months ended April 30, 2020 and audited annual financial information for the year ended July 31, 2019. These information should be read in conjunction with the unaudited consolidated interim financial statements and the audited consolidated financial statements and the accompanying notes.

Selected Results of Operations Data

	April 30, 2020 (unaudited)	July 31, 2019 (audited)
Revenue	12,316	-
Expenses	1,019,732	57,436
Net Loss	1,007,416	57,436
Other comprehensive loss	8,984	252
Net loss and comprehensive loss	1,016,400	57,688



The Company has generated a small amount of income for the nine months ended April 30, 2020. Management expects more revenues during the year 2020 while their transactional website to sell CBD products is in operation since the end of October 2019.

For the nine months ended April 30, 2020, the expenses of the Company were majorly Consultants, Legal and audit fees, General and administrative expenses, and Marketing Expenses for a total amount of \$1,019,732.

During the nine months ended April 30, 2020, the Company continued to develop his transactional platform. This platform is now used to generate the company's revenue. Amortization was taken since November as the website was available to use.

Operating expenses

The table below sets forth major operating expenses for the periods presented:

	April 30, 2020 (unaudited)	July 31, 2019 (audited)
Consultants	460,380	-
Legal and audit fees	279,939	49,071
Marketing Expenses	62,609	-
General and administrative expenses	39,132	8,046
Share-based payment	64,135	-
Interest and bank fees	54,155	-

Consultants fees consisted of the monthly CEO fees as well as all the consultants related to the operations of the website, social media and management of the operations.

Legal audit fees consisted of accounting and CFO services, audit fees of the annual financial statements, legal fees for private placements as well as preparation of prospectus and documentation for a going public transaction.

Marketing expenses consisted of social media and publicity to promote the web site.

General and administrative expenses consisted of D&O Insurance as well as licences and filing fees.

Share-based payment consisted of stock option grants to the Director, Officers and key advisors of the Company.

Interest and bank fees consisted of interest on two Promissory Notes as well as online payment fees to operate the transactional platform.

Assets and liabilities

	April 30, 2020 (unaudited)	July 31, 2019 (audited)
Intangible assets	255,740	133,153
Non-current liabilities	219,373	-

Intangible assets consisted of a transactional website, which is in operation since late October 2019. During the period of nine months, the Company continued to develop his website and begins to amortize from November 2019 to April 2020 since the website begins to generate revenues late in October 2019.



Non-current liabilities consisted of two Promissory notes issued in November 2019 and January 2020. The promissory notes accrued interest at a rate of 12% per annum, payable on a monthly basis and are repayable on November 25, 2021 and January 20, 2022.

Liquidity and capital resources

As of April 30, 2020, the Company had cash of \$790 and a working capital deficiency of \$216,966 which consisted of current assets, excluding prepaid expenses, less current liabilities. The Company expects to utilize equity investment as well as a new promissory note to continued operations and to meet liabilities and commitments as they come due.

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to provide adequate returns for shareholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets.

The Company's capital is primarily composed of shareholders' equity. The capitalization of the Company is shown below:

	April 30, 2020 (unaudited)		July 31, 2019 (audited)	
	Number	Amount	Number	Amount
				\$
Balance, beginning of the period	4,000,100	20,000	-	-
New shares issued during the period	14,345,161	589,437	4,000,100	20,000
Balance, end of the period	18,345,161	609,437	4,000,100	20,000

The Company has 18,345,161 outstanding common shares as at June 23, 2020.

During the period from incorporation July 17, 2019 to July 31, 2019, the Company has issued 4,000,100 common shares at a price of \$0.005 per share for a total amount of \$20,000.

In August 2019, the Company carried out a private placement consisting of the issuance of 13,659,287 common shares of the Corporation being issued at a price of \$0.025 per share for total gross proceeds of \$346,500.

In August 2019, the Corporation issued out 200,000 common shares for services rendered related to the buildout of the Corporation's e-commerce platform.

The Company issued 485,874 common shares at a price of \$0.50 per share for a total amount of \$242,937 in a private placement closed in 7 tranches on September 19, 2019 (\$25,000), September 26, 2019 (\$5,000), October 24, 2019 (\$60,000), November 28, 2019 (\$70,000), January 3, 2020 (\$10,400), January 29, 2020 (\$69,537), and March 9, 2020 (\$3,000).



Share-based payments

The Company has established a share option plan whereby the Board of Directors may from time to time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board.

On September 16, 2019 the Company granted 1,385,000 options to purchase common shares of the Corporation to the current Directors, Officers and Consultants of the Corporation, all exercisable at a price of \$0.50 for a period of 5 years.

The following summarizes the activity during the nine months ended April 30, 2020:

	<u>Number of options</u>	<u>Exercise price</u>
Balance as at August 1, 2019	-	-
Granted	1,385,000	\$0.50
Exercised	-	-
Expired/Cancelled	-	-
Balance as at April 30, 2020	1,385,000	\$0.50

The following table provides additional information about outstanding stock options at the end of April 30, 2020:

<u>Exercise price</u>	<u>No. of options outstanding</u>	<u>Weighted Average Remaining Life (Years)</u>
\$0.50	1,385,000	4.4

Warrants

During the period of nine months ended April 30, 2020, the Company issued 11,200 warrants in connection with a private placement as broker's fees exercisable at \$0.50 over a one year period (expiration date November 28, 2020). The Company also issued 909,090 warrants in connection with two Promissory notes exercisable at \$0.55 over a three years period (expiration dates respectively November 25, 2022 and January 20, 2023). The continuity of outstanding share warrants is as follows:

	<u>Number of warrants</u>	<u>Weighted average exercise price per share</u>
Balance as at August 1, 2019	-	\$ -
Granted	920,290	\$0.54
Exercised	-	-
Expired/Cancelled	-	-
Balance as at April 30, 2020	920,290	\$0.54



The following table provides additional information about outstanding share warrants at the end of April 30, 2020:

Exercise price	No. of Warrants outstanding	Weighted Average Remaining Life (Years)
\$0.50	11,200	0.58
\$0.55	909,090	2.66

Off-balance sheet arrangements

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

Related party transactions

During the period of nine months ended April 30, 2020, the following transactions occurred with related parties:

	April 30, 2020	July 31, 2019
	\$	\$
Key management transactions:		
Consulting fees to the Chief Executive Officer and director	120,537	-
Consulting fees to the Chief Financial Officer	34,952	-

An amount of \$120,537 as consulting fees was paid to Harrison Benjamin Venture, a company held by the Chief Executive Officer and board member. An amount of \$34,952 was also paid to Veronique Laberge CPA Inc., a company held by the Chief Financial Officer.

Financial Instruments

Please refer to disclosure on Note 10 – Financial Instruments on the interim consolidated Financial Statements for the period of nine months ended April 30, 2020 for discussion and disclosure on Financial Instruments.

Accounting policies adopted during the period

Beginning on August 1, 2019, the Company adopted certain standards and amendments. The nature and the effect of these changes are disclosed below:

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 which replaces IAS 17 Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the



accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company does not have any leases that would be applicable to this standard and the implementation of these amendments did not have a significant impact on the interim consolidated financial statements.

Conceptual Framework

On March 29, 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. This amendment is effective on January 1, 2020. The Company adopted this amendment in its interim consolidated financial statements beginning August 1, 2019 and the adoption did not have a material impact on the consolidated financial statements.

Definition of a Business

On October 22, 2018, the IASB issued a narrow scope amendment to IFRS 3. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. This amendment to IFRS 3 in its interim consolidated financial statements beginning August 1, 2019 and the adoption of the amendment to IFRS 3 did not have a material impact on the interim consolidated financial statements.

Subsequent events

On June 4, 2020, the Company issued a third secured promissory note in a principal amount of \$150,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on June 4, 2022, and interest are payable on a monthly basis. The promissory note also has 272,727 common shares purchase warrants exercisable at \$0.55 for a period of 3 years.

Management of industry and financial risk

On-going concern

To date, the Company has not achieved a sustainable stream of revenue. There can be no assurance that significant additional losses will not occur in the near future, or that the Company will be profitable in the future.

The Company expects to continue to incur losses until such time a sustainable revenue source can be developed. There can be no assurance that the Company will generate any revenues or achieve profitability.

Additional Financing

As there is no revenue generated from operations, the Company relies on the equity and debt financing to pursue business opportunities. Failure to obtain such financing could result in delay or the ability to complete proposed business opportunities.



Management's responsibility for the financial statements

The information provided in this report as referenced from the Company's consolidated financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented

Other MD&A Requirements

Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Corporation information

Office: 800-885 West Georgia Street, Vancouver BC, V6C 3H1 Canada

Directors and Officers:

Frank Weil – Chief Executive Officer and Board Member
Véronique Laberge – Chief Financial Officer
Lance Pillersdorf – Board Member

Auditors: MNP LLP

Legal Counsel: Dunton Rainville LLP

APPENDIX D

INFORMATION CONCERNING LIFTED

*The following information in respect of Lifted reflects the business, financial and share capital position of Lifted prior to the Closing. See **Cautionary Notice Regarding Forward-Looking Statements in this Circular in respect of forward-looking statements that are included in this Schedule and in the documents incorporated by reference herein.***

PRELIMINARY NOTE

This Appendix has been prepared by the management of Lifted and contains information in respect of the business and affairs of Lifted. Information provided by Lifted is the sole responsibility of Lifted, and Kootenay does not assume any responsibility for the accuracy or completeness of such information.

INCORPORATION AND ORGANIZATIONAL STRUCTURE

Lifted was incorporated under the CBCA on February 27, 2018 under the name “*Lifted Cannabis Inc.*” On August 16, 2018, Lifted amended its articles to, among other things: (a) change its name to “Lifted Innovations Inc.”; and (b) remove certain share transfer restrictions customary for private issuers. On September 20, 2018, Lifted’s articles were further amended to change the province in Canada where Lifted’s registered office is situated to British Columbia.

The head office and the registered office of Lifted is located at 550 Burrard Street, Suite 2300, Vancouver, British Columbia, V6C 2B5.

Lifted has one wholly-owned subsidiary, “Lifted Technology Inc.”, which was incorporated under the laws of the state of Delaware (U.S.) on June 5, 2018.

GENERAL DEVELOPMENT OF THE BUSINESS OF LIFTED

Lifted is a Canadian based, consumer-direct e-commerce company providing vaporizers, cannabis-related accessories, ancillary, and CBD products in the United States and Canada. Lifted currently operates a drop-shipping platform through five domain names: www.EveryoneDoesIt.com, www.NamasteVaporizers.com, LiftedCBD.com, www.Lifted.com, and www.LeafScience.com, and intends to leverage its market share to expand into additional business segments related to the legal Canadian cannabis market.

On March 16, 2018, Lifted entered into the asset purchase agreement with ESC Hughes Holdings Ltd. (now BKN Calla Investments Limited) (“**ESC Hughes**”) to acquire certain domain names, trademarks, customer lists, and related assets for a purchase price of \$350,000. Lifted satisfied the purchase price through the issuance to ESC Hughes Holdings Ltd. of 35,000,000 Lifted Common Shares. All such shares were subsequently sold by ESC Hughes Holdings Ltd. to various arms-length parties at a price of \$1.00 - \$1.15 per Lifted Share, and ESC Hughes is no longer a Lifted Shareholder.

Financings

On March 23, 2018, Lifted completed a non-brokered private placement of 10,000,000 Lifted Common Shares at an issue price of \$0.04 per Lifted Share for total gross proceeds of \$400,000.

On April 5, 2018, Lifted completed the first tranche of a non-brokered private placement of 2,500,000 Lifted Common Shares at an issue price of \$0.20 per Lifted Share for total gross-proceeds of \$500,000.

On April 9, 2018, Lifted completed the second tranche of a non-brokered private placement of 11,800,000 Lifted Common Shares at an issue price of \$0.20 per Lifted Share for total gross proceeds of \$2,360,000.

NARRATIVE DESCRIPTION OF BUSINESS

E-Commerce Platforms

Lifted its products through its e-commerce portals, which includes Namastevapes.com, Everyonedoesit.com, LiftedCBD.com, Leafscience.com and Lifted.com (collectively, the “**E-Commerce Sites**”). Lifted does not produce, distribute or sell products containing cannabis.

The E-Commerce Sites currently offer an extensive range of brand-name vaporizers, CBD products, general consumer information, reviews and media regarding the industry and related products. Lifted is currently focused on expanding its product offerings and growing its market presence through both organic and acquisitive growth.

A description of the current and expected business lines for the E-Commerce Sites is as follows:

- Namastevapes.com is focused principally on top-tier vaporizer brands and products that are currently available on the market.
- Everyonedoesit.com focuses on the mid-tier recreational cannabis market, driving sales principally in the area of glass paraphernalia and accessories. The website aims to offer cannabis-related accessories and ancillary products that are unique in the market and those which are not easily accessible for online purchase. Lifted is expanding its product line to better serve this specialized market. Customers typically access this platform in order to find new and unique products and brands. The website’s content and design reflect the more casual nature of this segment of the recreational market.
- LiftedCBD.com is focused on providing consumers with a marketplace for CBD products. Lifted is leveraging its innovative drop-shipping platform to connect CBD vendors directly to consumers. The website content is designed to provide general information on CBD. Lifted will be leveraging LeafScience, its educational content site to provide a medium for consumers to review, discuss and share videos.
- Lifted.com is focused on selling top-tiered vaporizer brands and product.
- Leafscience.com is a news and educational content site owned by Lifted that Lifted uses to drive traffic to its other E-Commerce Sites. The site is utilized by LiftedCBD.com as a content driver and as a search engine optimization driver to populate higher ranking search results in larger search engines like Google, Bing, Yahoo, etc. Lifted plans to add an ecommerce store that will focus on selling affordable CBD products.

Lifted's E-Commerce Sites are currently selling CBD products, cannabis-related accessories and ancillary products to purchasers in the U.S. and Canada with almost all of its revenue driven by U.S.-based customers.

While Lifted may consider offering cannabis products which do contain THC to U.S.-based customers in the future, at this time it does not, and there are no immediate plans to do so.

E-Commerce Technology

Lifted utilizes Shopify and WooCommerce for its E-Commerce Sites in order to streamline and simplify its accounting, payments and fulfillment process. The review system used in its E-Commerce Sites is powered by Yotpo, which is a third-party review platform that allows customers to review both the products and the customer's experience on the E-Commerce Sites. As Yotpo is a third-party platform, it is expected that this provides confidence to consumers that the reviews and comments are both authentic and transparent.

Lifted relies on Shopify and WooCommerce's well-established application program interface for integrations with other applications and software services. Lifted takes advantage of these solutions and systems to automate its order processing. Its tech team also builds proprietary customized software solutions that are not otherwise available by using the application program interface capability of Shopify which plugs into its payment processing.

Order fulfillment is possible with the various partners Lifted uses. Lifted has agreements in place with multiple vendors that allows Lifted to access their inventory of CBD, cannabis-related accessories and ancillary products and utilize their fulfillment services. This in turn allows Lifted to keep its operations lean and focus on building its e-commerce platform.

The technology and processing platforms that Lifted utilizes enables it to operate a dropship business model. Under this model Lifted does not own, manage or hold any physical inventory. Rather, its e-commerce platforms facilitate the sale and processing of products, but all warehousing and product inventory and delivery is processed through its partners. Drop-shipping enables Lifted's business to operate with very little overhead, thus maximizing margins and, ultimately, net revenue. Lifted's partners also benefit as it offers them a much larger pool of customers than they already serve.

Opportunities for Growth

Product Growth

Lifted intends to increase revenue growth by adding to its range of products and use organic growth to further develop its proprietary and vendor technology to offer full e-commerce solutions in the cannabis-accessory industry. Adding and expanding Lifted's product lines from the brands it currently offers, and establishing new dropship partners and partnerships with brands, will allow Lifted to provide customers with access to a wider range of CBD, cannabis-related accessories and ancillary products.

Acquisition Opportunities

Lifted has identified a number of opportunities to expand by acquisition, however no opportunity identified to date has progressed to the stage of being considered a probable acquisition. Lifted's acquisition strategy is to identify companies that complement Lifted in terms of financial profile, geographical focus, and product and service offering and enter into transactions that are accretive to its business. Based on management's analysis of the market, the vaporizer and accessory space is a fragmented and high growth market, which makes the industry ideal for consolidation. No assurance can be given that Lifted's acquisition strategy will result in one or more acquisitions, or that any acquisitions, if completed, will result in the synergies expected or positively affect Lifted's business.

Potential Expansion into Cannabis-Based Products

While Lifted is currently only offering CBD, cannabis-related accessories and ancillary products through its e-commerce portals and platforms, Lifted is exploring expansion of its business to enable the facilitation

of, or access to, cannabis derived products. Lifted's connected platforms are well-positioned to add these products.

The goal of Lifted is to build a robust online marketplace around CBD, cannabis-related accessories and ancillary products and, potentially in the future, cannabis-based products, that will allow for various brands, companies, drop-shippers, and partners to plug into Lifted's e-commerce platforms and offer their products. Lifted would carry no inventory, but would allow other companies to sell their products through the platforms provided by Lifted, to the extent permitted by all applicable state laws.

Employees and Consultants

Lifted has seven consultants providing services on an independent contractor basis and no employees.

Market Overview

Lifted's sales and marketing efforts are focused mainly on the U.S. market. Lifted's target demographics are adults aged 21-45.

A number of e-commerce platforms targeting the vaporizer and accessory market currently exist. Lifted's principal competitors in the U.S. are Vapor Nation, Smoke Cartel, Planet of the Vapes, Puff It Up, Dank Stop, and Got Vape.

Management of Lifted considers that its competitive advantage is driven largely by its technology and marketing efforts. In particular, management expects that Lifted's focus on its dropship platform will provide it with a competitive advantage over competitors by linking customers with brands and products without incurring the overhead costs of carrying the inventory in house and being able to focus on its marketing efforts. However, no assurance can be provided that Lifted will be able maintain any competitive advantage against existing or new entrants to the industry, or that any efforts by management to increase Lifted's competitive advantage will be successful.

SELECTED CONSOLIDATED FINANCIAL STATEMENTS

The following tables summarize selected consolidated financial information of Lifted for (i) the period from February 27, 2018 to October 31, 2018; (ii) the year then ended October 31, 2019; and (iii) the six months ended April 30, 2020.

	For the six months ended April 30, 2020 \$US	For the year ended October 31, 2019 \$US	For the period from February 27, 2018 (date of incorporation) to October 31, 2018 \$US
Income (loss) and comprehensive income (loss):			
(i) total for the year	\$391,779	\$(2,793,739)	\$(745,841)
(ii) total per share	\$(0.01)	\$(0.05)	\$(0.01)
Total assets	\$445,820	\$627,162	\$2,902,747
Total current liabilities	\$1,094,688	\$922,286	\$561,823
Total long-term financial liabilities	-	-	-
Cash dividends declared	-	-	-

	For the three months ended						
	April 30, 2020 \$US	January 31, 2020 \$US	October 31, 2019 \$US	July 31, 2019 \$US	April 30, 2019 \$US	January 31, 2019 \$US	For the period from February 27, 2018 (date of incorporation) to October 31, 2018
Income (loss) and comprehensive income (loss):							
(i) total for the period	\$(187,747)	\$(204,032)	\$(444,085)	\$(690,773)	\$(867,819)	\$(791,062)	\$(745,841)
(ii) total per share	\$ (0.00)	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)
Total assets	\$445,820	\$673,704	\$627,162	\$883,219	\$1,459,204	\$2,430,129	\$2,902,747
Total current liabilities	\$1,094,688	\$1,172,860	\$922,286	\$800,131	\$685,343	\$830,892	\$561,823
Total long-term financial liabilities	-	-	-	-	-	-	-
Cash dividends declared	-	-	-	-	-	-	-

DIVIDENDS

Lifted has not declared dividends on the Lifted Common Shares since incorporation. Lifted does not intend to pay dividends in the foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lifted's management discussion & analysis for the period from February 27, 2018 (the date of incorporation) to October 31, 2018, the year ended October 31, 2019 and the six months ended April 30, 2020 are attached to this Appendix as Schedule B, and should be read in conjunction with the Lifted Financial Statements for the year ended October 31, 2019 and the six months ended April 30, 2020 attached to this Appendix as Schedule A.

OUTSTANDING SECURITY DATA AND DESCRIPTION OF LIFTED COMMON SHARES CAPITAL

The authorized capital of Lifted consists of an unlimited number of Lifted Common Shares without par value. As of the date of this Circular, 61,430,479 Lifted Common Shares were issued and outstanding as fully paid and non-assessable.

Holders of Lifted Common Shares are entitled to receive notice of, attend and vote at meetings of the shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote separately as a class or series). Each Lifted Common Share carries the right to one vote. The holders of Lifted Common Shares are entitled to receive any dividends declared by Lifted in respect of the Lifted Common Shares, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares ranking in priority to the Lifted Common Shares with respect to the payment of dividends. In the event of the liquidation, dissolution or winding-up of Lifted, whether voluntary or involuntary, holders of Lifted Common Shares are also entitled to receive, on a pro rata basis, the remaining property and assets of the Company available for distribution after payment of all of its liabilities and subject to the rights of the holders of any other class of shares ranking in priority to the Lifted Common Shares. The Lifted Common Shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction, purchase for cancellation or surrender provisions. There are

no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Provisions as to the modification, amendment or variation of the rights attached to the Lifted Common Shares are contained in the Company's bylaws and the CBCA. Generally speaking, substantive changes to the authorized share structure require the approval of its shareholders by special resolution (at least two-thirds of the votes cast at a meeting of shareholders).

CONSOLIDATED CAPITALIZATION

The following table sets forth Lifted's capitalization as at the dates stated below on an actual basis and as adjusted to give effect to the Lifted Common Shares issuable pursuant to this Offering after deducting the Underwriter's Fee and estimated Offering expenses, as though they had occurred on such date. This table should be read in conjunction with the Lifted Financial Statements, which are attached to this Appendix D as Schedule A.

	As at the date hereof (unaudited)	As at April 30, 2020 (unaudited)	As at October 31, 2019 (audited)	As at October 31, 2018 (audited)
Common Shares.....	61,430,479	61,300,000	61,300,000	61,300,000
Warrants.....	Nil	Nil	Nil	Nil
Stock Options	3,750,000	3,750,000	3,750,000	3,400,000
Convertible Debt.....	\$1,056,454	--	--	--

Options

Lifted has granted 3,750,000 options to purchase Lifted Common Shares to various officers, directors, employees and consultants pursuant to option agreements. The following table sets out the outstanding Lifted Options as of the date of this Circular.

Category	Number of Lifted Options	Exercise Price	Expiry Date
Executive Officers of Lifted, as a group	-	-	-
Directors (who are not also executive officers) of Lifted, as a group ⁽¹⁾	950,000 1,000,000	\$0.20 \$0.20	April 9, 2023 July 31, 2024
Consultants of Lifted, as a group	900,000 100,000 100,000 700,000	\$0.20 \$0.20 \$0.50 \$0.20	April 9, 2023 May 14, 2023 May 21, 2023 July 31, 2024
Total:	3,750,000	-	-

Notes:

(1) This information applies to 4 individuals who were directors of Lifted.

PRIOR SALES

The following table summarizes the issuances of securities of Lifted within 12 months prior to the date hereof:

Date of Issue	Description	Number of Securities	Price per Security
July 31, 2019	Lifted Options ⁽¹⁾	3,030,000	\$0.20
June 15, 2020	Lifted Common Shares ⁽²⁾	87,000	\$1.15
June 15, 2020	Lifted Common Shares ⁽³⁾	43,479	\$1.15
June 30, 2020	Convertible Debt ⁽⁴⁾	1,027,352	\$1.15
Total:	--	4,187,831	--

Notes:

- (1) Of these, 1,330,000 of these Lifted Options granted to former employees and consultants of the Lifted were subsequently cancelled.
- (2) Issued pursuant to debt settlement with an entity controlled by Michael Galloro, a director of Lifted.
- (3) Issued pursuant to debt settlement with an arm's length creditor.
- (4) Convertible debt issued in respect of outstanding debt. Number of securities assumes a market price of \$1.15 at the time of conversion.

TRADING PRICE AND VOLUME OF THE LIFTED COMMON SHARES

The Lifted Common Shares are not traded on any stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

There are no securities of Lifted that are subject to escrow or restrictions on transfer other than standard limitations on transfer pursuant to the Articles of Lifted.

PRINCIPAL SECURITYHOLDERS

As of the date of this Circular, there is no principal shareholder who owns more than 10% of the issued shares of Lifted. Upon completion of the Transaction, it is expected that no shareholder will, beneficially and of record, own more than 10% of the issued common shares of Lifted.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out, for each of Lifted's directors and executive officers, the person's name, age, province or state and country of residence, position(s) with Lifted, the date on which the person became a

director and/or an executive officer, and principal occupation. As a group, the directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 1,612,978 Lifted Common Shares, representing approximately 2.63% of the Lifted Common Shares outstanding as at the date of this Circular.

Lifted's sole executive officer, Marc Mulvaney, works full-time for Lifted pursuant to consultant contract dated August 14, 2019 for the provision of advisory and consulting services of nature customarily provided by a Chief Executive Officer.

Directors and Executive Officers

Name and Province or State and Country of Residence	Principal Occupation or Employment for the Past 5 Years	Date appointed Director or Officer of Lifted	Position with Lifted
Bjarne Borg, 53 <i>Jupiter, Florida, USA</i>	Chairman, Index Invest International AB	February 27, 2018	Director (Chairman)
Michael Galloro, 44 <i>Toronto, ON, Canada</i>	Principal, ALOE Finance	February 27, 2018	Director
Alan Ritter, 53 <i>Winnipeg, MB, Canada</i>	Owner, Ritter Dental Center	February 27, 2018	Director
Gary Shnier, 52 <i>Winnipeg, MB, Canada</i>	President, Imperial Flooring	February 27, 2018	Director

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer is, as at the date of this Circular, or has been, within ten years, a director or executive officer of any corporation (including Lifted) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

Other than set forth below, no director, executive officer or shareholder holding a sufficient number of securities of Lifted to materially affect the control of Lifted (a) is, as at the date of this Circular, or has been within ten years before the date of the Circular, a director or executive officer of any corporation (including Lifted) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

- Bjarne Borg, a director of the Lifted, was a director of Index Energy Mills Road Corporation (“**IEMR Corp.**”) and resigned within a year of IEMR Corp. applying for, and obtaining, on August 16, 2017 (as extended from time to time), an initial order from the Superior Court of Justice (Commercial List) under the *Companies’ Creditors Arrangement Act* (Canada) to facilitate a court-monitored

restructuring (the “**IEMR CCAA Proceedings**”). Following a successfully implemented court-approved restructuring transaction, the Superior Court of Justice (Commercial List) issued an order on March 12, 2018 pursuant to which the IEMR CCAA Proceedings were terminated.

No director or executive officer of Lifted, or a shareholder holding sufficient number of securities of Lifted to affect materially the control of Lifted, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of Lifted’s directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. For a list of the other reporting issuers in which directors of Lifted also serve as directors, please see the directors’ and insider’s profile available on SEDI at www.sedi.ca. To the extent that such other companies may participate in ventures in which Lifted may participate, the directors of Lifted may have a conflict of interest in negotiating and concluding terms regarding the extent of such participation. In the event that such a conflict of interest arises at a meeting of Lifted’s directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular corporation will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of Lifted making the assignment. Under the laws of Canada, the directors of Lifted are required to act honestly, in good faith and in the best interests of Lifted. In determining whether or not Lifted will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Lifted may be exposed and its financial position at that time.

The following directors of Lifted is also a director of the following reporting issuers:

Director	Reporting Issuer	Exchange	Dated Appointed
Michael Galloro	Bulma Wellness Inc. (formerly as Goldstream Minerals Inc.)	NEX	September 21, 2012
	Sustainco Inc.	TSX-V	March 23, 2012
	Cool Holdings, Inc.	Nasdaq	June 4, 2018
	Fountain Asset Corp.	TSX-V	July 10, 2018
	AF1 Capital Corp.	TSX-V	April 24, 2018

EXECUTIVE COMPENSATION

The following table sets forth the value of the compensation, excluding compensation securities, of Lifted's directors and Named Executive Officers, for the financial period ended July 31, 2019.

Table of compensation excluding compensation securities							
Name and Position	Year ended Oct 31	Salary, Consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of Perquisites (US\$)	Value of all other compensation (US\$)	Total Compensation (US\$)
Marc Mulvaney CEO	2019	53,000	Nil	Nil	Nil	Nil	53,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Brandon Ward Former CFO and former Director ⁽¹⁾	2019	35,805	Nil	Nil	Nil	Nil	35,805
	2018	24,891	Nil	Nil	Nil	Nil	24,891
Brian Ma Former CEO ⁽²⁾	2019	71,266	Nil	Nil	Nil	Nil	71,266
	2018	57,508	Nil	Nil	Nil	Nil	57,508
Bjarne Borg Chair and Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Michael Galloro Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Alan Ritter Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Gary Shnier Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Brandon Ward ceased to be Chief Financial Officer and Director of Lifted effective May 28, 2019.
(2) Brian Ma cease to be Chief Executive Officer of Lifted effective June 18, 2019.

Compensation Discussion and Analysis

Lifted does not have in place any formal objectives, criteria or analysis; compensation payable is determined by the Lifted Board.

The Lifted Board does not establish any benchmark or performance goals to be achieved or met by Named Executive Officers, however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of Lifted. The satisfactory discharge of such duties is subject to ongoing monitoring by Lifted's directors.

External Management Companies

None of Lifted's Named Executive Officers are or were an employee of Lifted.

As of the date of this Circular, Lifted has not executed any employment contracts. Lifted has consulting agreements with Marc Mulvaney, CEO.

Stock Options and Other Compensation Securities

Lifted Options are granted to provide an incentive to the directors, officers, employees and consultants of Lifted to achieve the longer-term objectives of Lifted; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Lifted; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in Lifted.

As at the date hereof, Lifted has the following issued and outstanding stock options:

Name	Number of Options	Expiry Date	Exercise Price
Capstone Management USA Corp	350,000	April 9, 2023	\$0.20
Alan Ritter	200,000	April 9, 2023	\$0.20
Gary Shnier	200,000	April 9, 2023	\$0.20
Duck Capital Inc.	200,000	April 9, 2023	\$0.20
Bora Bora Data Corp.	500,000	April 9, 2023	\$0.20
Peter Simeon	200,000	April 9, 2023	\$0.20
2472199 Ontario Inc.	200,000	April 9, 2023	\$0.20
Catalyst Capital LLC	100,000	May 14, 2023	\$0.20
Holiday Hunt Russell	100,000	May 21, 2023	\$0.50
Sean Duncombe	400,000	July 31, 2024	\$0.20
Capstone Management USA Corp	150,000	July 31, 2024	\$0.20
Duck Capital Inc.	600,000	July 31, 2024	\$0.20
2472199 Ontario Inc.	150,000	July 31, 2024	\$0.20
Mike Dai	150,000	July 31, 2024	\$0.20
Gary Shnier	125,000	July 31, 2024	\$0.20
Alan Ritter	125,000	July 31, 2024	\$0.20
Total:	3,750,000	--	--

Pension and Retirement Plans

Lifted does not have any pension or retirement plan which is applicable to the Named Executive Officers or directors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and during the six months ended April 30, 2020, year end October 31, 2019 and period ended October 31, 2018, no director or executive officer of Lifted (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) Lifted or its subsidiaries, or any other entity which is, or was at any time during six months ended April 30, 2020, year end October 31, 2019 and period ended October 31, 2018, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Lifted or its subsidiaries.

RISK FACTORS

The following is a summary of certain risk factors applicable to Lifted.

The risks presented in this Circular should not be considered to be exhaustive and may not be all of the risks that Lifted and Lifted may face.

Whether actual results, performance or achievements will conform to Lifted's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including the following:

Risks Generally Related to Lifted

Lifted is a development stage company with little operating history, a history of losses and Lifted cannot assure profitability

Lifted is creating an e-commerce platform to capitalize on the opportunity for value creation that is emerging from the relaxing of state and local prohibitions on the cannabis industry in California and other U.S. States. Lifted's lack of operating history, and the lack of historical pro-forma combined financial information for Lifted, makes it difficult for investors to evaluate Lifted's prospects for success. Prospective investors should consider the risks and difficulties Lifted might encounter, since there is no assurance that it will be successful. Any likelihood of success must be considered in light of Lifted's relative early stage of operations.

As Lifted has only just begun to generate revenue, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact that Lifted intends to operate in the cannabis industry, which is rapidly transforming. There is no guarantee that Lifted's products or services will be attractive to potential consumers.

Negative cash flow from operations

Lifted had negative cash flow from operating activities during the financial year ended October 31, 2018. Lifted cannot assure that it will achieve sufficient revenues from sales to achieve or maintain profitability or positive cash flow from operating activities. If Lifted does not achieve or maintain profitability or positive cash flow from operating activities, then there could be a material adverse effect on Lifted's business, financial condition and results of operation.

Uncertainty about Lifted's ability to continue as a going concern

Lifted is in the development stage and is currently seeking additional capital, mergers, acquisitions, joint ventures, partnerships and other business arrangements to expand its product offerings in the ancillary cannabis product market and grow its revenue. Lifted's ability to continue as a going concern is dependent upon its ability to grow its revenue and achieve profitable operations while also obtaining the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of Lifted; however, there can be no certainty that such funds will be available at terms acceptable to Lifted. The risks referred to herein indicate the existence of material uncertainties that may cast significant doubt on Lifted's ability to continue as a going concern.

Lifted's actual financial position and results of operations may differ materially from the expectations of Lifted's management

Lifted's actual financial position and results of operations may differ materially from management's expectations. Lifted has experienced some changes and delays in its operating plans. As a result, Lifted's revenue, net income and cash flow may differ materially from Lifted's projected revenue, net income and cash flow. The process for estimating Lifted's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In

addition, the assumptions used in planning may not prove to be accurate, and other factors may affect Lifted's financial condition or results of operations.

There is no assurance that Lifted will turn a profit or generate immediate revenues

There can be no assurance that Lifted will be profitable, earn revenues, or pay dividends. Lifted has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business.

The payment and amount of any future dividends will depend on, among other things, Lifted's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

In the event that any of Lifted'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 money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of Lifted to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

There are factors which may prevent Lifted from the realization of growth targets

Lifted is currently expanding from its early development stage. Lifted's growth strategy contemplates developing additional technological platforms. There is a risk that the development of these platforms will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these "Risk Factors" and the following:

- technical deficiencies in the design of the platform;
- non-performance by third party contractors;
- increases in materials or labour costs;
- falling below expected levels of output or efficiency;
- inability to engage with medical professionals or medical cannabis dispensaries' software development upgrades;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers; and
- disruptions in the supply of energy and utilities.

Lifted is operating at a regulatory frontier. The cannabis industry is a new industry that may not succeed and is susceptible to constant changes in laws, regulations and guidelines and non-compliance with federal, provincial or state laws and regulations, or the expansion of current or enactment of new laws and regulations, could adversely affect Lifted's business

The medical and adult use cannabis industry is subject to various local and federal laws, regulations, guidelines and licensing requirements relating to the manufacture, sale, distribution, management,

transportation, storage and disposal of medical cannabis, as well as being subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment in Canada, the United States and abroad. While Lifted is treating the cannabis industry as a deregulating industry with significant unsatisfied demand for its proposed products and will adjust its future operations, product mix and market strategy as the industry develops and matures, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of Lifted could have a material adverse effect on Lifted's business, results of operations and financial condition. In particular, any amendment to or replacement of existing cannabis laws in the jurisdictions that Lifted operates may cause adverse effects to Lifted's operations.

As well, should the federal government in the U.S. change course and decide to prosecute those dealing in medical or adult-use cannabis under applicable law, there may not be any market for Lifted's products and services in the U.S. Although the impact of such changes is uncertain and highly dependent on which specific laws or regulations are changed, the impact on Lifted should be comparable to other companies in the same business as Lifted.

Furthermore, if in the future Lifted expands its business to distribute and/or sell products containing cannabis, achievement of Lifted's business objectives will depend, in part, upon compliance with regulatory requirements enacted by applicable governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of such products. Lifted cannot predict the time required to secure or maintain all appropriate regulatory approvals for such products, or the extent of testing and documentation that may be required by applicable governmental authorities. Any delays in obtaining, or failure to obtain, regulatory approvals would significantly delay the development and/or sale of such products and could have a material adverse effect on the business, financial condition and results of operation of Lifted.

Furthermore, if Lifted expands its business to distribute and/or sell products containing cannabis, Lifted can be expected to incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, financial condition and results of operation of Lifted.

The cannabis industry is also subject to extensive controls and regulations in the various jurisdictions where such industry has been legally regulated, and those controls and regulations may also affect the financial condition of market participants. The marketability of cannabis products may be affected by numerous factors beyond the control of Lifted and which cannot be predicted, such as packaging requirements, marketing and advertising restrictions, restrictions as to the product formats that may be used (i.e., alternative manners of consumption such as edibles or beverages), as well as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce Lifted's earnings and could make future capital investments or Lifted's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants which could in turn affect the cannabis industry generally the outcomes of which cannot be reliably predicted.

Lifted may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on Lifted's reputation, business, results from operations, and financial condition

Lifted may be named as a defendant in a lawsuit or regulatory action. Lifted may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on Lifted's business, results of operations, sales, cash flow or financial condition.

As a distributor of products designed to facilitate cannabis ingestion by humans, Lifted may also face 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, tampering by unauthorized third parties or product contamination with respect to the cannabis used in Lifted's products may impact the risk of injury to consumers. Previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. As a distributor of products designed to facilitate the consumption of cannabis, or in its role as an investor in or service provider to an entity that is a manufacturer, distributor and/or retailer of cannabis, Lifted may be subject to various product liability claims, including, among others, that the cannabis product caused injury or illness, included inadequate instructions for use or included inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against Lifted could result in increased costs, is difficult to defend, may result in large judgments or settlements against Lifted, and could adversely affect Lifted's reputation with its clients and consumers generally thereby affecting the business, results of operations, financial condition or prospects of Lifted. There can also be no assurances that Lifted will be able to 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 maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Lifted's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of Lifted.

Unfavorable publicity or consumer perception as a result of future medical research may lead to a material adverse effect on the business of Lifted

Lifted believes the medical and adult-use cannabis industries are highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research or findings, regulatory investigations, litigation, media attention or other publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory investigations, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or other publicity could have a material adverse effect on the demand for cannabis-based products and on the business, results of operations, financial condition, cash flows or prospects of Lifted. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or associating the consumption of medical or adult-use cannabis with illness or other negative effects or events, could have such a material adverse effect. There is no assurance that such adverse publicity reports or other media attention will not arise.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. Public opinion and support for medical and adult-use cannabis has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and adult-use cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical cannabis as opposed to legalization in general). A negative shift in the public's perception of cannabis in Canada, the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical and/or adult-use cannabis, thereby limiting the number of new state jurisdictions into which Lifted could expand. Any inability to fully implement Lifted's expansion strategy may have a material adverse effect on its business, results of operations or prospects.

Results of Future Clinical Research

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD derived from cannabis or industrial hemp and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD derived from cannabis or industrial hemp and THC), and future research and clinical trials may discredit the medical benefits, viability, safety, efficacy, and social acceptance of cannabis or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, prospective purchasers of the Lifted Common Shares should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a material adverse effect on the demand for Lifted's products with the potential to lead to a material adverse effect on Lifted's business, financial condition, results of operations or prospects.

Lifted may experience difficulties in promoting and maintaining brands it sells

Lifted believes that establishing and maintaining the brand identities of products is a critical aspect of attracting and expanding a large customer base. Promotion and enhancement of brands will depend largely on success in providing high quality products. If customers and end-users do not perceive Lifted's products to be of high quality, or if Lifted introduces new products or enters into new business ventures that are not favorably received by customers and end-users, Lifted will risk diluting brand identities and decreasing their attractiveness to existing and potential customers. Moreover, in order to attract and retain customers and to promote and maintain brand equity in response to competitive pressures, Lifted may have to increase its' financial commitments substantially so as to create and maintain a distinct brand loyalty among customers. If Lifted incurs significant expenses in an attempt to promote and maintain brands, the business, results of operations and financial condition could be adversely affected.

If Lifted is unable to attract and retain key personnel, it may not be able to compete effectively in the industry in which it operates

Lifted's success has depended and continues to depend upon its ability to attract and retain key management, including Lifted's CEO, technical experts and sales personnel. Lifted will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. Lifted's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on Lifted's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of Lifted, results of operations of the business and could limit Lifted's ability to develop and market its non cannabis-based ancillary products. The loss of any of Lifted's senior management or key employees could materially adversely affect Lifted's ability to execute Lifted's business plan and strategy, and Lifted may not be able to find adequate replacements on a timely basis, or at all. Lifted does not maintain key person life insurance policies on any of its employees.

Lifted may be subject to product recalls for product defects self-imposed or imposed by regulators

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 labelling disclosure. If any of the products Lifted sells are recalled due to an alleged product defect or for any other reason, Lifted could be required to incur the unexpected expense of the recall and any legal proceedings that might

arise in connection with the recall. Lifted 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. There can be no assurance that any quality or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A recall for any of the foregoing reasons could lead to decreased demand for the products Lifted sells and could have a material adverse effect on the results of operations and financial condition of Lifted. Additionally, product recalls may lead to increased scrutiny of Lifted's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Furthermore, any product recall or safety concern affecting the cannabis industry more broadly could lead to consumers losing confidence in the safety and security of the products sold by companies that produce, distribute or sell cannabis products, which could have a material adverse effect on Lifted's business, financial condition and results of operations.

No guarantee that Lifted will receive product approvals

Lifted may require advance approval of its products from federal, state, provincial and/or local authorities, particularly if Lifted expands its business to distributing and/or selling products containing cannabis. While Lifted intends to follow the guidelines and regulations of each applicable federal, state, provincial and/or local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any federal, state, provincial and/or local jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. If any of Lifted's products are not approved or any existing approvals are rescinded, there is the potential to lead to a material adverse effect on Lifted's business, financial condition, results of operations or prospects.

Lifted's industry is experiencing rapid growth and consolidation that may cause Lifted to lose key relationships and intensify competition

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm Lifted in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing Lifted to expend greater resources to meet new or additional competitive threats, all of which could harm Lifted's operating results. As competitors enter the market and become increasingly sophisticated, competition in Lifted's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

The anticipated benefit of any future acquisitions or dispositions may not materialize as anticipated by Lifted

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of Lifted's ongoing business; (ii) distraction of management; (iii) Lifted may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of Lifted's operations; and (vi) loss or reduction of control over certain of Lifted's assets.

The presence of one or more material liabilities of an acquired company that are unknown to Lifted at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of Lifted. A strategic transaction may result in a significant change in the nature of Lifted's business, operations and strategy. In addition, Lifted may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into Lifted's operations.

Lifted's growing industry is experiencing intensified competition

There is potential that Lifted will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than Lifted. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of Lifted.

If the number of users of cannabis for medical and/or recreational purposes in Canada and the United States increases, the demand for non cannabis-based ancillary products will increase and Lifted expects that competition will become more intense, as current and future competitors will begin to offer an increasing number of diversified products. As well, the legal landscape for medical and adult-use cannabis is changing internationally. More countries have passed laws that allow for the production and distribution of medical cannabis in some form or another. To remain competitive, Lifted will require a continued high level of investment in research and development, marketing, sales and client support. Lifted may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of Lifted.

Lifted will be reliant on information technology systems and may be subject to damaging cyber-attacks

Lifted is reliant on the continuous and uninterrupted operation of its information technology systems. User access and security of all information technology systems can be critical elements to the operations of Lifted. Protection against cybersecurity incidents, cloud security and security of all of Lifted's information technology systems are critical to the operations of Lifted. Any information technology failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of Lifted.

Lifted's information technology systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by Lifted's employees or vendors. A cybersecurity incident resulting in a security breach or failure to identify a security threat could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy or Securities Laws and regulations, and remediation costs.

While Lifted has established business continuity plans and risk management systems seeking to address system breaches or failures including, but not limited to, intrusion prevention and firewall hardware systems; MAC ID and IP blacklists; comprehensive anti-virus software libraries; network real-time monitoring; cloud-based virtual data distribution in fractional segments using RSA encryption keys; grandfather, father, son data backup strategies; and antivirus and malware protection software, there are inherent limitations in such plans and systems and there is no guarantee that such efforts will succeed. As cyber threats continue to evolve, Lifted may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Any such unauthorized entry or breach into Lifted's information technology systems could have an adverse impact on Lifted's financial condition and operations.

Lifted's officers and directors may be engaged in a range of business activities resulting in conflicts of interest

Lifted may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, Lifted's executive officers and directors may

devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to Lifted. In some cases, Lifted's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to Lifted's business and affairs and that could adversely affect Lifted's operations. These business interests could require significant time and attention of Lifted's executive officers and directors.

In addition, Lifted may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or Companies with which Lifted may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of Lifted. In addition, from time to time, these persons may be competing with Lifted for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of Lifted's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of Lifted are required to act honestly, in good faith and in the best interests of Lifted.

In certain circumstances, Lifted's reputation could be damaged

Damage to Lifted's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding Lifted and its activities, whether true or not. Although Lifted believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, Lifted does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to Lifted's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

The size of Lifted's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data

Because the cannabis industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in Lifted and, few, if any, established companies whose business model Lifted can follow or upon whose success Lifted can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in Lifted. There can be no assurance that Lifted's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Lifted's expansion efforts, including any expansion into distributing and/or selling products containing cannabis, may not be successful

There is no guarantee that Lifted's intentions to grow its business, including any intention to expand its business into the distribution and/or sale of products containing cannabis in jurisdictions with legal cannabis markets, will be successful. Any such activities will require, among other things, various regulatory approvals, licences and permits and there is no guarantee that all required approvals, licences and permits will be obtained in a timely fashion or at all.

In addition to being subject to general business and regulatory risks, any business that produces, distributes and/or sells an agricultural product and a regulated consumer product such as products containing cannabis, will need to build brand awareness in the industry and market through significant

investments in strategy, distribution channels, quality assurance and regulatory compliance. These activities may not promote Lifted's brands as effectively as intended, or at all. Competitive conditions, consumer tastes, requirements and spending patterns in the cannabis industry are new and relatively unknown and may have unique circumstances that differ from existing industries and markets.

There is also no guarantee that Lifted will be able to complete any of the foregoing activities as anticipated or at all. The failure of Lifted to successfully execute any expansion strategy (including receiving required regulatory approvals and permits) could adversely affect Lifted's business, financial condition and results of operations.

In addition, legislation in Canada permits, and legislation in other jurisdictions that permit recreational or medical use of cannabis products, or future legislation in other jurisdictions may permit (if and when enacted), persons to produce their own cannabis products. This could potentially and significantly reduce the market for any products of Lifted which in the future contain cannabis, could disrupt the legal cannabis industry generally and could have a material adverse effect on Lifted's business, financial condition and results of operations.

Furthermore, if Lifted expands its business into distributing and/or selling products containing cannabis, Lifted will face competition from other licensed distributors and/or sellers of cannabis products, including licensed producers, some of which can be expected to have longer operating histories and more financial resources, manufacturing and marketing experience than Lifted. In addition, the cannabis industry may also undergo consolidation, creating larger companies with financial resources, manufacturing and marketing capabilities, and product offerings that are greater than those Lifted may in the future provide. As a result of this competition, Lifted may be unable to develop its operations as contemplated on terms it considers acceptable or at all. Increased competition by larger, better-financed competitors with geographic advantages could materially and adversely affect Lifted's business, financial condition and results of operations.

Lifted is exposed to transportation risks and if, in the future, Lifted expands its business into distribution and sale of cannabis products, those risks could be heightened

Due to its direct to customer shipping model, Lifted depends on fast and efficient third party transportation services to distribute its products. Any prolonged disruption of third party transportation services could have a material adverse effect on Lifted's business, financial condition and results of operations. Rising costs associated with third party transportation services used by Lifted to ship products may also adversely impact Lifted's business, financial condition and results of operations.

As well, if in the future Lifted expands its business into distribution and sale of cannabis products, security of such products during transportation will be of utmost concern. A breach of security during transport or delivery could have a material adverse effect on Lifted's business, financial condition and results of operations. Any breach of security during transport or delivery, including any failure to comply with recommendations or requirements of applicable regulatory requirements concerning the transport and delivery of products containing cannabis, could have an impact on Lifted's ability to continue distribution and/or sale of cannabis products, any licences authorizing the same, or the renewal thereof. Any of the foregoing may, if realized, have a material adverse effect on Lifted's business, financial condition and results of operations.

Risk Factors Specifically Related to the United States' Regulatory System

Cannabis Continues to be a Controlled Substance under the United States Federal Controlled Substances Act

Lifted is indirectly and may, in the future, be directly engaged in the medical and adult-use cannabis industry in the U.S. where local state law permits such activities, however all such activities remain illegal under federal law in the U.S. Investors are cautioned that, in the U.S., the cannabis industry is highly regulated at the state level. To Lifted's knowledge, there are, to date, a total of 33 states, and the District of Columbia, Puerto Rico, Northern Mariana Islands and Guam that have legalized medical cannabis in some form, including California, although not all states have fully implemented their legalization programs. Ten states of those 33 states and the District of Columbia also have legalized cannabis for adult use. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a Schedule I controlled substance under the CSA. Under United States federal law, a Schedule I controlled substance is considered to have a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the substance under medical supervision. Federal law prohibits commercial production and sale of all Schedule I controlled substances, and as such, cannabis-related activities, including without limitation, the importation, cultivation, manufacture, distribution, sale and possession of cannabis remain illegal under U.S. federal law. It is also illegal to aid or abet such activities or to conspire or attempt to engage in such activities. Strict compliance with state and local laws with respect to cannabis may neither absolve Lifted of liability under U.S. federal law, nor provide a defense to any federal proceeding brought against Lifted. An investor's contribution to and involvement in such activities may result in federal civil and/or criminal prosecution, including, but not limited to, forfeiture of his, her or its entire investment, fines, and/or imprisonment.

The RBA provides budgetary constraints on the federal government's ability to interfere with the implementation of state-based medical cannabis laws. The RBC prohibits the federal government from using congressionally appropriated funds to prevent states from implementing their own medical cannabis laws. The Ninth Circuit Court of Appeal and other courts have interpreted the language to mean that the DOJ cannot expend funds to prosecute state-law-abiding medical cannabis operators complying strictly with state medical cannabis laws. The RBA remains in effect through to December 21, 2018, at which point Congress will decide whether to approve its extension. Continued reauthorization of the RBA is predicated on future political developments and cannot be guaranteed. If the RBA expires, federal prosecutors could prosecute even state-compliant medical cannabis operators for conduct within the five-year statute of limitations and the DOJ may be permitted to spend funds to prosecute persons that are operating in accordance with state adult-use cannabis laws.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges and penalties, including, but not limited to, disgorgement of profits, cessation of business activities, divestiture, or prison time. This could have a material adverse effect on Lifted, including its reputation and ability to conduct business, its holding (directly or indirectly) of medical and adult-use cannabis licenses in the U.S., the listing of its securities on the CSE, its financial position, operating results, profitability, liquidity or the market price of its publicly-traded shares. In addition, it is difficult for Lifted to estimate the time or resources that would be needed for the investigation or defense of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Furthermore, Lifted has provided (and may in the future provide) indemnities to counterparties and business partners whereby Lifted has agreed to hold such counterparties harmless in respect of liabilities incurred resulting from the violation of laws or regulations or breach of contract. Such indemnity obligations

may impose additional and potentially significant liabilities on Lifted, particularly if cannabis remains illegal in the United States federally. Any valid claim in respect of such indemnities provided by Lifted may result in a material adverse effect on Lifted's business, financial condition and results of operations.

There is uncertainty surrounding the Trump Administration and the office of the Attorney General and their influence on policies standing in opposition to the cannabis industry as a whole

There is significant uncertainty surrounding the policies of President Donald Trump and the office of the Attorney General regarding recreational and medical cannabis.

The Cole Memorandum issued by former Deputy Attorney General James Cole on August 29, 2013 and other Obama-era cannabis policy guidance, discussed below, provided the framework for managing the tension between federal and state cannabis laws. Subsequently, as discussed below, former Attorney General Jeff Sessions rescinded the Cole Memorandum and related policy guidance. Although no longer in effect, these policies, and the enforcement priorities established within, appear to continue to be followed during the Trump administration and remain critical factors that inform the past and future trend of state-based legalization.

The Cole Memorandum directed U.S. Attorneys not to prioritize the enforcement of federal cannabis laws against individuals and businesses that comply with state medical or adult-use cannabis regulatory programs, provided certain enumerated enforcement priorities (such as diversion or sale of cannabis to minors) were not implicated. In addition to general prosecutorial guidance issued by the DOJ, FinCEN issued the FinCEN Memorandum on February 14, 2014 outlining Bank Secrecy Act-compliant pathways for financial institutions to service state-sanctioned cannabis businesses, which echoed the enforcement priorities outlined in the Cole Memorandum. On the same day the FinCEN Memorandum was published, the DOJ issued the 2014 Cole Memo directing prosecutors to apply the enforcement priorities of the Cole Memorandum when determining whether to prosecute individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related activities.

On January 4, 2018, former Attorney General Jeff Sessions rescinded the Cole Memorandum, the 2014 Cole Memo, and all other related Obama-era DOJ cannabis enforcement guidance. While the rescission did not change federal law, as the Cole Memorandum and other DOJ guidance documents were not themselves laws, the rescission removed the DOJ's formal policy that state-regulated cannabis businesses in compliance with the Cole Memorandum guidelines should not be a prosecutorial priority. Notably, former Attorney General Jeff Sessions' rescission of the Cole Memorandum and the 2014 Cole Memo has not affected the status of the FinCEN Memorandum issued by the Department of Treasury, which remains in effect. In addition to his rescission of the Cole Memorandum, former Attorney General Jeff Sessions issued the Sessions Memorandum. The Sessions Memorandum explains the DOJ's rationale for rescinding all past DOJ cannabis enforcement guidance, claiming that Obama-era enforcement policies are "unnecessary" due to existing general enforcement guidance adopted in the 1980s, in chapter 9.27.230 of the United States Attorney's Manual. The United States Attorney's Manual enforcement priorities, like those of the Cole Memorandum, are based on the use of the federal government's limited resources and include "law enforcement priorities set by the Attorney General," the "seriousness" of the alleged crimes, the "deterrent effect of criminal prosecution," and "the cumulative impact of particular crimes on the community." Although the Sessions Memorandum emphasizes that cannabis is a federally illegal Schedule I controlled substance, it does not otherwise instruct U.S. Attorneys to consider the prosecution of cannabis-related offenses a DOJ priority, and in practice, most U.S. Attorneys have not changed their prosecutorial approach to date. However, due to the lack of specific direction in the Sessions Memorandum as to the priority federal prosecutors should ascribe to such cannabis activities, there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law.

Such potential proceedings could involve significant restrictions being imposed upon Lifted or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on Lifted's business, revenues, operating results and financial condition as well as Lifted's reputation and prospects, even if such proceedings were concluded successfully in favour of Lifted. In the extreme case, such proceedings could ultimately involve the criminal prosecution of key executives of Lifted, the seizure of corporate assets, and consequently, the inability of Lifted to continue its business operations. Strict compliance with state and local laws with respect to cannabis does not absolve Lifted of potential liability under U.S. federal law, nor provide a defense to any federal proceeding which may be brought against Lifted. Any such proceedings brought against Lifted may adversely affect Lifted's operations and financial performance.

Federal law pre-empts state law in these circumstances, so that the federal government can assert criminal violations of federal law despite contrary state law. The level of prosecutions of state-legal cannabis operations is entirely unknown, nonetheless the stated position of the current administration is hostile to legal cannabis, and furthermore may be changed at any time by the DOJ, to become even more aggressive. If the DOJ policy was to aggressively pursue financiers or equity owners of cannabis-related business, and United States Attorneys followed such DOJ policies through pursuing prosecutions, then Lifted could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries, (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis.

Additionally, there can be no assurance as to the position any new administration may take on cannabis and a new administration could decide to enforce the federal laws strongly. Any enforcement of current federal laws could cause significant financial damage to Lifted and its shareholders. Further, future presidential administrations may want to treat cannabis differently and potentially enforce the federal laws more aggressively.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on Lifted, 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 the Lifted Common Shares. In addition, it is difficult to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Legality of Cannabis Could be Reversed

The voters or legislatures of states in which cannabis has been legalized could potentially repeal applicable laws which permit both the operation of medical and retail cannabis and CBD businesses. These actions might force Lifted to cease some or all of Lifted's business.

Demand May Decline

State laws that allow cannabis consumers to cultivate cannabis, may result in a reduction in the demand for cannabis and cannabis products. Many states that allow medical cannabis or adult use allow the citizens of those states to cultivate cannabis. It is possible that large-scale adoption of home cannabis production,

and the home production of cannabis products based on home cannabis production, could have substantial effects on cannabis prices and cannabis product prices, which could have material adverse financial consequences for the future performance of Lifted.

Canadian investors in Lifted's securities and Lifted's directors and officers who are not U.S. citizens may be subject to travel and entry bans into the United States

Recent media articles have reported that certain Canadian citizens have been rejected for entry into the United States, due to their involvement in the cannabis sector, which has in at least one widely reported incident, included an investor in companies operating in the cannabis sector in states where it is legal to do so, which resulted in that case in a lifetime ban to the investor.

Because cannabis remains illegal under United States federal law, 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 (in respect of non-U.S. citizens) for their business associations with cannabis businesses. Entry to the United States 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 foreign national. The majority of persons travelling across the Canadian and U.S. border do so without incident. Some persons are simply barred entry one time. On September 21, 2018 (and as updated on October 9, 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's enforcement of United States laws regarding controlled substances and, because cannabis continues to be a controlled substances under United States law, working in or facilitating the proliferation of the legal cannabis industry in U.S. states where it is deemed legal or in Canada may affect admissibility to the U.S. As a result, CBP has affirmed that, employees, directors, officers, managers and investors of companies involved in business activities related to cannabis in the U.S. or Canada, 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 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.

Federal and State Forfeiture Laws

As an entity that conducts business in the cannabis industry, Lifted will be potentially subject to federal and state forfeiture laws (criminal and civil) that permit the government to seize the proceeds of criminal activity. Civil forfeiture laws could provide an alternative for the federal government or any state (or local police force) that wants to discourage residents from conducting transactions with cannabis related businesses but believes criminal liability is too difficult to prove beyond a reasonable doubt. Also, an individual can be required to forfeit property considered to be from proceeds of crime even if the individual is not convicted of the crime, and the standard of proof in a civil forfeiture matter is lower than the burden in a criminal matter. Depending on the applicable law, whether federal or state, rather than having to establish liability beyond a reasonable doubt, the federal government or the state, as applicable, may be required to prove that the money or property at issue is proceeds of a crime only by either clear and convincing evidence or a mere preponderance of the evidence.

Shareholders of Lifted located in states where cannabis remains illegal may be at risk of prosecution under federal and/or state conspiracy, aiding and abetting, and money laundering statutes, and be at further risk of losing their investments or proceeds under forfeiture statutes. Many states remain fully able to take action to prevent the proceeds of cannabis businesses from entering their state. Because state legalization is relatively new, it remains to be seen whether these states would take such action and whether a court

would approve it. Shareholders and prospective shareholders of Lifted should be aware of these potentially relevant federal and state laws in considering whether to invest in Lifted.

Lifted's operations in the United States ancillary cannabis market may become the subject of heightened scrutiny

Lifted's operations in the United States ancillary cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. On February 8, 2018, the TMX MOU was signed. The TMX MOU outlines the signatories' understanding of Canada's regulatory framework applicable to the rules and procedures and regulatory oversight of the signatories. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the signatory exchanges to review the conduct of listed issuers. As a result, there currently is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, if CDS were to proceed in the manner suggested by these publications, and apply such a policy to Lifted, it would have a material adverse effect on the ability of holders of the Lifted Common Shares to make trades. In particular, the Lifted Common Shares would become highly illiquid as investors would have no ability to effect a trade of the Lifted Common Shares through the facilities of a stock exchange. In addition, on November 24, 2017, the TMX Group provided an update regarding issuers with cannabis-related activities in the United States and confirmed that TMX Group will rely on the Canadian Securities Administrators' recommendation to defer to individual exchange's rules for companies that have cannabis-related activities in the United States and to determine the eligibility of individual issuers to list based on those exchanges' listing requirements.

In the United States, many clearing houses for major broker-dealer firms, including Pershing LLC, the largest clearing, custody and settlement firm in the United States, have refused to handle securities or settle transactions of companies engaged in cannabis related business. Many other clearing firms have taken a similar approach. This means that certain broker-dealers cannot accept for deposit or settle transactions in the securities of companies, which may inhibit the ability of investors to trade in Lifted's securities and could negatively affect the liquidity of Lifted's securities.

Any restrictions imposed by the CSE or other applicable exchange on the business of Lifted and/or the potential delisting of the Lifted Common Shares from the CSE or other applicable exchange would have a material adverse effect on Lifted and on the ability of holders of Lifted Common Shares to make trades.

Banks and other financial institutions which service the cannabis industry are at risk of violating certain financial laws, including anti-money laundering statutes and may cease to deal with, suspend or shut down Lifted's accounts

Lifted will be subject to a variety of laws and regulations domestically and in the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the *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 any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada. Since the cultivation, manufacture, distribution and sale of cannabis remains illegal under the US Controlled Substances Act, 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 Bank Secrecy Act, among other applicable federal statutes. Banks or other financial institutions that provide cannabis businesses with financial services such as a checking account or credit card in violation of the Bank Secrecy Act could be criminally prosecuted for willful violations of money laundering statutes, in addition to being subject to other criminal, civil, and regulatory enforcement actions. Banks often refuse to provide banking services to businesses involved in the cannabis industry due to the

present state of the laws and regulations governing financial institutions in the U.S. The lack of banking and financial services presents unique and significant challenges to businesses in the cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services. These statutes can impose criminal liability for engaging in certain financial and monetary transactions with the proceeds of a “specified unlawful activity” such as distributing controlled substances which are illegal under federal law, including cannabis, and for failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the US Controlled Substances Act. Lifted may also be exposed to the foregoing risks.

As previously discussed, in February 2014, FinCEN issued the FinCEN Memorandum providing instructions to banks seeking to provide services to cannabis-related businesses. The FinCEN Memo states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of the Bank Secrecy Act. It refers to supplementary guidance that former Deputy Attorney General James M. Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. Although the FinCEN Memo remains in effect today, it is unclear at this time whether the current administration will follow the guidelines of the FinCEN Memo. Overall, the DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state, including in states that have legalized the applicable conduct and the DOJ’s current enforcement priorities could change for any number of reasons. A change in the DOJ’s enforcement priorities could result in the DOJ prosecuting banks and financial institutions for crimes that previously were not prosecuted. If Lifted does not have access to a U.S. banking system, its business and operations could be adversely affected.

Other potential violations of federal law resulting from cannabis-related activities include RICO. RICO is a federal statute providing criminal penalties in addition to a civil cause of action for acts performed as part of an ongoing criminal organization. Under RICO, it is unlawful for any person who has received income derived from a pattern of racketeering activity (which includes most felonious violations of the CSA), to use or invest any of that income in the acquisition of any interest, or the establishment or operation of, any enterprise which is engaged in interstate commerce. RICO also authorizes private parties whose properties or businesses are harmed by such patterns of racketeering activity to initiate a civil action against the individuals involved. Although RICO suits against the cannabis industry are rare, a few cannabis businesses have been subject to a civil RICO action. Defending such a case has proven extremely costly, and potentially fatal to a business’ operations.

In the event that any of Lifted’s operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize Lifted’s ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada, and subject Lifted to civil and/or criminal penalties. Furthermore, in the event that a determination was made that Lifted’s proceeds from operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, Lifted may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time. Lifted could likewise be required to suspend or cease operations entirely.

Re-classification of Cannabis in the United States

If cannabis, THC or CBD derived from cannabis is re-categorized as a Schedule II or lower controlled substance, the ability to conduct research on the medical benefits of cannabis would most likely be

improved; however, rescheduling cannabis, THC or CBD derived from cannabis may materially alter enforcement policies across many federal agencies, primarily the FDA. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products, through its enforcement authority pursuant to the United States' Federal Food Drug and Cosmetic Act. The FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of drugs sold in interstate commerce. Because cannabis is federally illegal to produce and sell, and because it has no federally recognized medical uses, the FDA has historically deferred enforcement related to cannabis to the DEA; however, the FDA has enforced the United States' Federal Food Drug and Cosmetic Act with regard to industrial hemp-derived products, especially CBD derived from industrial hemp, sold outside of state-regulated cannabis businesses. If cannabis, THC or CBD derived from cannabis were to be rescheduled to a federally controlled, yet legal, substance, the FDA would likely play a more active regulatory role. Further, in the event that the pharmaceutical industry directly competes with state-regulated cannabis businesses for market share, as could potentially occur with rescheduling, the pharmaceutical industry may urge the DEA, the FDA, and others to enforce the CSA and United States' Federal Food Drug and Cosmetic Act against businesses that comply with state but not federal law. The potential for multi-agency enforcement post-rescheduling could threaten or have a materially adverse effect on the operations of existing state-legal cannabis businesses, including Lifted.

U.S. Federal trademark protection may not be available for the intellectual property of Lifted due to the current classification of cannabis as a Schedule I controlled substance

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark protection regarding the intellectual property of a business, may not be available to Lifted. As a result, Lifted's intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third-parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, Lifted can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal, state or local level.

Lifted's contracts may not be legally enforceable in the U.S.

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

Lifted may be unable to adequately protect its proprietary and intellectual property rights, particularly in the U.S.

Lifted'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 Lifted is able to do so, to protect any proprietary rights of Lifted, Lifted 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, any of the following occurrences may reduce the value of any of Lifted's intellectual property:

- the market for Lifted's products and services may depend to a significant extent upon the goodwill associated with its trademarks and trade names, and its ability to register its intellectual property under U.S. federal and state law is impaired by the illegality of cannabis under U.S. federal law;
- patents in the cannabis industry involve complex legal and scientific questions and patent protection may not be available for some or any products;

- Lifted's applications for trademarks and copyrights relating to its business may not be granted and, if granted, may be challenged or invalidated;
- issued patents, trademarks and registered copyrights may not provide Lifted with competitive advantages;
- Lifted's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of any its products or intellectual property;
- Lifted's efforts may not prevent the development and design by others of products similar to or competitive with, or superior to those Lifted develops;
- another party may obtain a blocking patent and Lifted would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or
- the expiration of patent or other intellectual property protections for any assets owned by Lifted could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on Lifted and its financial results will depend, among other things, upon the nature of the market and the position of Lifted's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

In addition, the trademark applications that Lifted currently has may not be granted or, if granted, may be subject to challenge by third parties, which may result in such trademarks being invalidated. For example, United States trademarks may be challenged by third parties via *inter partes* review, post-grant review, derivation or interference proceedings at the United States Patent and Trademark Office. Furthermore, given that cannabis remains illegal under federal law in the United States, the United States Patent and Trademark Office may reject applications for cannabis marks, unless the goods and services used in connection with applied-for marks are federally lawful. Any denial of trademark applications or any successful challenge to Lifted's trademark applications, could threaten Lifted's competitive advantage which could have an adverse effect on Lifted's business, financial condition and results of operations.

Lifted may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against Lifted relating to intellectual property rights

Lifted may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be expensive and could distract management from focusing on operating Lifted's business. The existence and/or outcome of any such litigation could adversely affect Lifted's business. Further, because the content of much of Lifted's intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions or under federal law, Lifted may face additional difficulties in defending its intellectual property rights.

Some of Lifted's planned business activities, while believed to be compliant with applicable U.S. state and local law, are illegal under federal law

Although certain states and territories of the U.S. authorize medical or recreational cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under any and all circumstances under the CSA. An investor's contribution to and

involvement in such activities may result in federal civil and/or criminal prosecution, including forfeiture of his, her or its entire investment.

Since the possession and use of cannabis and any related drug paraphernalia is illegal under U.S. federal law, Lifted may be deemed to be aiding and abetting illegal activities through the contracts it has entered into and the products that it intends to provide. Lifted distributes and sells cannabis-related accessories and ancillary products and may, in the future (depending on, among other things, market opportunity and local regulatory requirements), distribute and sell products containing cannabis. As a result, U.S. law enforcement authorities, in their attempt to regulate the illegal use of cannabis and any related drug paraphernalia, may seek to bring an action or actions against Lifted, including, but not limited, a claim regarding Lifted's possession, use and sale of cannabis, and aiding and abetting another's criminal activities. The federal aiding and abetting statute provides that anyone who "commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." As a result of such an action, Lifted may be forced to cease operations and its investors could lose their entire investment. Such an action would have a material negative effect on Lifted's business and operations.

With the Cole Memorandum rescinded, U.S. federal prosecutors have been given greater discretion in determining whether to prosecute cannabis related violations of U.S. federal law. If the DOJ policy under former Attorney General Jeff Sessions was to aggressively pursue financiers or equity owners of cannabis-related business, and United States Attorneys General followed such DOJ policies through pursuing prosecutions, then Lifted could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries, (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis, and/or (iii) barring employees, directors, officers, managers and investors who are not U.S. citizens from entry into the United States for life.

There is uncertainty of existing protection from federal prosecution

Until December 21, 2018, the DOJ is prohibited from expending any funds for the prosecution of medical cannabis businesses operating in compliance with state and local laws pursuant to the RBA. If the RBA or an equivalent thereof is not successfully amended to the next or any subsequent federal omnibus spending bill, the protection afforded thereby to U.S. medical cannabis businesses would lapse, and such businesses would be more at risk to prosecution under federal law. There is a possibility that all amendments may be banned from federal omnibus spending bills, and if this occurs and the substantive provisions of the RBA are not included in the base federal omnibus spending bill or other law, these protections would lapse. Lifted regularly monitors the regulatory activities of Congress.

Lifted may have difficulty accessing the service of banks, processing credit card payments in the future, and difficulty accessing the service of third parties generally, which may make it difficult for Lifted to operate and which may result in the suspension of accounts and services provided to Lifted

The FinCEN Memorandum was issued in February 2014, in respect of financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the DOJ, FinCEN or other federal regulators. Thus, most banks and other financial institutions 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 by the Trump Administration. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related

businesses. As a result, Lifted may have limited or no access to banking or other financial services in the U.S., and may have to operate Lifted's U.S. business on an all-cash basis. The inability or limitation in Lifted's ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments, may make it difficult for Lifted to operate and conduct its business as planned. Lifted is actively pursuing alternatives that ensure its operations will continue to be compliant with the FinCEN Memorandum and existing disclosures around cash management and reporting to the Internal Revenue Service.

The parties with which Lifted does business may perceive that they are exposed to reputational risk as a result of Lifted's medical cannabis business activities. While Lifted has other banking relationships and believes that the services can be procured from other institutions, Lifted may in the future have difficulty establishing or maintaining bank accounts or other business relationships. Failure to establish or maintain business relationships could have a material adverse effect on Lifted.

In addition, there is a risk that Lifted's merchant accounts through which payments are made by Lifted's customers for its cannabis-related accessories and ancillary products (e.g., VISA, MasterCard or American Express) may be frozen or shut down which would be outside the control of Lifted. Many financial institutions in the U.S. are unwilling to take deposits, issue credit cards, open bank accounts, or assist with payroll services for cannabis businesses. Given that Lifted's business is based on an e-commerce platform, the processing of electronic payments is critical to Lifted's business. Lifted addresses these issues by continually monitoring merchant accounts and identifying new providers of similar services. However, even if Lifted takes adequate protective measures, no assurance can be provided that Lifted's accounts will not be shut down and any funds on deposit or payments owing may not be recoverable. Any interruption, freeze or shutting down of Lifted's merchant accounts would have a material adverse effect on Lifted's business, financial condition and results of operations.

Lifted may incur significant tax liabilities if the IRS continues to determine that certain expenses of cannabis businesses are not permitted tax deductions under section 280E of the Tax Code

Section 280E of the Tax Code prohibits businesses from deducting certain expenses associated with trafficking controlled substances (including cannabis) which are prohibited by federal law. The IRS has invoked Section 280E in tax audits against various cannabis businesses in the United States that are authorized under state laws, seeking substantial sums in tax liabilities, interest and penalties resulting from under payment of taxes due to the lack of deductibility of otherwise ordinary business expenses the deduction of which is prohibited by Section 280E. Although the IRS 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. 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.

Entities with which Lifted does business, including entities owned, controlled or managed by Lifted, may from time to time be disputing and in litigation with the IRS related to an IRS determination that certain expenses of cannabis businesses are not permitted tax deductions under Section 280E. Although the status of a service provider is unclear with respect to Section 280E it is possible that Lifted could be found to have significant tax liabilities that may become due and payable to the IRS. Lifted may not have sufficient reserves to satisfy any possible future judgments. A judgement therefore, would likely result in material adverse effects to Lifted's business operations and financial condition.

Lack of Access to United States Bankruptcy Protections

Because cannabis is a Schedule I substance under the CSA, many courts have denied cannabis businesses federal bankruptcy protections, making it difficult for lenders to be made whole on their investments in the cannabis industry in the event of a bankruptcy. If Lifted were to experience a bankruptcy, there is no guarantee that United States federal bankruptcy protections would be available to Lifted, which would have a material adverse effect.

Lifted could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses and claims against Lifted

Lifted is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to Lifted that violates: (i) government regulations; (ii) manufacturing standards; or (iii) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for Lifted to identify and deter misconduct by its employees and other third parties, and the precautions taken by Lifted to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting Lifted from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Lifted, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of Lifted's operations, any of which could have a material adverse effect on Lifted's business, financial condition and results of operations.

Regulatory Scrutiny of Lifted's Interests in the United States

For the reasons set forth above, Lifted's interests in the United States cannabis market, and future licensing arrangements, may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. As a result, Lifted 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 Lifted's ability to carry on its business in the United States.

Risks Related to Lifted's Securities and the Market

Lifted may sell additional Lifted Common Shares for cash to fund operations, capital expansion, and mergers and acquisitions that will dilute the current shareholders

There is no guarantee that Lifted will be able to achieve its business objectives. The continued development of Lifted will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or Lifted going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Lifted.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Lifted Common Shares. Lifted's articles permit the issuance of an unlimited number of Lifted Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of Lifted have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Lifted Common Shares will be issued by Lifted on the exercise of Lifted Options. In addition, from time to time, Lifted may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed

wholly or partially with debt, which may temporarily increase Lifted's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for Lifted to obtain additional capital and to pursue business opportunities, including potential acquisitions. Lifted may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict Lifted's ability to pursue its business objectives.

If an investor purchases Lifted Common Shares in an offering, substantial and immediate dilution of the Lifted Common Shares may occur, because the price paid will be substantially greater than the net tangible book value per Lifted Common Share that are acquired. This dilution is due in large part to the fact that Lifted's earlier investors will have paid substantially less than a public offering price when they purchased their Common Shares.

Lifted cannot assure that a market will continue to develop or exist for Lifted Common Shares or what the market price of the Lifted Common Shares will be

There is currently no public trading market for the Lifted Common Shares, and Lifted cannot assure that one will continue to develop or be sustained. If a market does not continue to develop or is not sustained, it may be difficult for an investor to sell the Lifted Common Shares at an attractive price or at all. Lifted cannot predict the prices at which the Lifted Common Shares will trade.

Lifted will be subject to additional regulatory burden resulting from its public listing on the CSE and status as a reporting issuer in Canada

Prior to the Offering, Lifted has not been subject to the continuous and timely disclosure requirements of Canadian Securities Laws or other rules, regulations and policies of the CSE or other stock exchange. Lifted is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to Lifted's financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. Lifted has made, and will continue to make, changes in these and other areas, including Lifted's internal controls over financial reporting. However, Lifted cannot assure purchasers of Lifted Common Shares that these and other measures that it might take will be sufficient to allow it to satisfy Lifted's obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for Lifted and will require the time and attention of management. Lifted cannot predict the amount of the additional costs that it might incur, the timing of such costs or the impact that management's attention to these matters will have on its business.

Volatility in the Market Price of the Lifted Common Shares

Securities of cannabis companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. The price of the Lifted Common Shares is also likely to be significantly affected by short-term changes in cannabis, by Lifted's financial condition or results of operations as reflected in its quarterly financial statements and by other operational and regulatory matters. As a result of any of these factors, the market price of the Lifted Common Shares at any given point in time may not accurately reflect their long-term value.

Price Volatility of Publicly-Traded Securities

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Lifted Common Shares may decline even if Lifted's operating results, underlying asset values or prospects have not changed. There can be no assurance that continual fluctuations in price will not occur. The market for the Lifted Common Shares will be subject to market trends generally, notwithstanding any potential business of Lifted. The value of the Lifted Common Shares will be affected by numerous factors, many of which are beyond Lifted's control, including the following:

- actual or anticipated fluctuations in Lifted's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which Lifted operates;
- addition or departure of Lifted's executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Lifted Common Shares;
- sales or perceived sales of additional Lifted Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Lifted or Lifted's competitors;
- operating and share price performance of other companies that investors deem comparable to Lifted;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- operating and share price performance of other companies that investors deem comparable to Lifted or from a lack of market comparable companies;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in Lifted's industry or target markets; and
- regulatory changes in the industry.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, Lifted's operations could be adversely affected and the trading price of the Lifted Common Shares might be materially adversely affected.

Lifted does not anticipate paying cash dividends

Lifted's current policy is to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in Lifted. Therefore, Lifted does not anticipate paying cash dividends on the Lifted Common Shares in the foreseeable future. Lifted's dividend policy will be reviewed from time to time by the Board in the context of its earnings, financial condition and other relevant factors. Until the time that Lifted does pay dividends, which it might never do, its shareholders will not be able to receive a return on their Lifted Common Shares unless they sell them. See "Dividend Policy".

Future sales of Lifted Common Shares by existing shareholders could reduce the market price of the Lifted Common Shares

Sales of a substantial number of Lifted Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Lifted Common Shares intend to sell Lifted Common Shares, could reduce the market price of Lifted Common Shares. Additional Lifted Common Shares may be available for sale into the public market, subject to applicable Securities Laws, which could reduce the market price for Lifted Common Shares. Holders of Lifted Options will have an immediate income inclusion for tax purposes when they exercise their Lifted Options (that is, tax is not deferred until they sell the underlying Lifted Common Shares). As a result, these holders may need to sell Lifted Common Shares purchased on the exercise of Lifted Options in the same year that they exercise their Lifted Options. This might result in a greater number of Lifted Common Shares being sold in the public market, and fewer long-term holds of Lifted Common Shares by Lifted's management and employees.

No guarantee on the use of available funds by Lifted

Lifted cannot specify with certainty the particular uses of the proceeds. Management has broad discretion in the application of Lifted's proceeds, including for any of the purposes described in "Use of Proceeds". Accordingly, a purchaser of Lifted Common Shares will have to rely upon the judgment of management with respect to the use of proceeds, with only limited information concerning management's specific intentions. Lifted's management may spend a portion or all of the proceeds in ways that Lifted's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a purchaser's investment. The failure by management to apply these funds effectively could harm Lifted's business. Pending use of such funds, Lifted might invest the proceeds in a manner that does not produce income or that loses value.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed below, to the best of Lifted's knowledge, there were no legal proceedings as of the date of this Circular to which Lifted was a party or of which any of Lifted's property was subject that would have had a material adverse effect on Lifted, nor are there any such legal proceedings existing or contemplated to which Lifted is a party or of which Lifted's property is subject that would have a material adverse effect on Lifted.

There have been no penalties or sanctions imposed against Lifted by a court relating to securities legislation or by a securities regulatory authority as of the date of this Circular, or any other time that would likely be considered important to a reasonable investor making an investment decision in Lifted. Lifted has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority as of the date of this Circular.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of Lifted or disclosed herein, none of the directors or executive officers of Lifted, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Lifted Common Shares, nor an associate or affiliate of any of the foregoing persons has had, during the three most recently completed financial years of Lifted or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect Lifted.

AUDITOR

The auditors of Lifted are MNP LLP.

INTERESTS OF EXPERTS

MNP LLP, Lifted's current auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Certain legal matters relating to the distribution of the Lifted Common Shares under this Circular was passed upon by Gowling WLG (Canada) LLP, on behalf of Lifted. As at the date hereof, the partners and associates of Gowling WLG (Canada) LLP, as a group, beneficially owned, directly or indirectly, 1,900,000 Common Shares representing approximately 3.1% of the issued and outstanding Lifted Common Shares (approximately 2.9% on a fully diluted basis).

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of Lifted or of any associate or affiliate of Lifted.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the material contracts of Lifted that are still in effect as of the date hereof:

1. The Lifted Support Agreement;
2. Asset Purchase Agreement between Lifted and ESC Hughes Holdings Ltd. (now BKN Calla Investments Limited), dated March 16, 2018; and
3. Consulting Agreement between Lifted and Marc Mulvaney dated August 14, 2019.

SCHEDULE A TO APPENDIX D

LIFTED FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDED APRIL 30, 2020,
THE YEAR ENDED OCTOBER 31, 2019, AND
THE PERIOD FROM FEBRUARY 27, 2018 (DATE OF INCORPORATION) TO OCTOBER 31, 2018**

[See Attached]

Consolidated Financial Statements

Lifted Innovations Inc.

**For the six months ended April 30, 2020, the year ended October 31, 2019 and
period from incorporation on February 27, 2018 to October 31, 2018**

(Expressed in US Dollars)

Independent Auditor's Report

To the Shareholders of Lifted Innovations Inc.:

Opinion

We have audited the consolidated financial statements of Lifted Innovations Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2019 and October 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended October 31, 2019 and for the period from February 27, 2018 (date of incorporation) to October 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2019 and October 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year ended October 31, 2019 and for the period from February 27, 2018 to October 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$2,793,739 during the year ended October 31, 2019. As stated in Note 2, this event along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing

standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Ottawa, Ontario

June 19, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Lifted Innovations Inc.
Consolidated Statement of Loss and Comprehensive loss
(Expressed in US Dollars)

		For the six months ended		For the year ended	For the period from incorporation on
	Note	April 30, 2020 <i>(unaudited)</i>	April 30, 2019 <i>(unaudited)</i>	October 31, 2019	February 27, 2018 to October 31, 2018
		\$	\$	\$	\$
Revenue		854,905	531,535	1,119,595	722,649
Cost of sales		692,181	432,786	856,415	554,625
		162,724	98,749	263,180	168,024
Expenses					
Selling		180,345	382,258	746,020	150,640
Administrative		316,154	1,216,133	2,051,494	423,166
Stock-based compensation	10	38,035	91,818	157,691	261,802
Amortization	7,8	17,025	18,458	37,474	22,374
Foreign exchange loss		(604)	46,155	35,585	72,259
		550,955	1,754,822	3,028,264	930,241
Other income		1,957	15,187	19,552	18,623
Other expense		(5,505)	(17,995)	(19,733)	(2,247)
Write-off of trade and other receivables	6	-	-	(18,629)	-
Impairment of intangible assets	8	-	-	(9,845)	-
Net loss and comprehensive loss		(391,779)	(1,658,881)	(2,793,739)	(745,841)
Net loss per share					
Basic and Diluted		(0.01)	(0.03)	(0.05)	(0.01)
Weighted average number of outstanding common shares					
Basic and Diluted		61,300,000	61,300,000	61,300,000	55,502,033

The accompanying notes are an integral part of these consolidated financial statements

Lifted Innovations Inc.
Consolidated Statement of Financial Position
(Expressed in US Dollars)

	Note	April 30, 2020 <i>(unaudited)</i>	October 31, 2019	October 31, 2018
		\$	\$	\$
Assets				
Current assets				
Cash		87,665	68,546	88,233
Short term investment	5	-	237,445	2,033,515
Trade and other receivables	6	51,015	47,830	149,203
Prepaid assets		61,248	10,424	336,265
Total current assets		199,928	364,245	2,607,216
Non-current assets				
Property and equipment	7	3,911	5,029	-
Intangible assets	8	241,981	257,888	295,531
Total assets		445,820	627,162	2,902,747
Liabilities				
Current liabilities				
Trade and other liabilities		1,094,688	922,286	561,823
Total liabilities		1,094,688	922,286	561,823
Shareholders' Equity (deficiency)				
Share capital	10	2,824,963	2,824,963	2,824,963
Contributed surplus		457,528	419,493	261,802
Deficit		(3,931,359)	(3,539,580)	(745,841)
Total shareholders' equity (deficiency)		(648,868)	(295,124)	2,340,924
Total liabilities and shareholders' equity (deficiency)		445,820	627,162	2,902,747

The accompanying notes are an integral part of these consolidated financial statements

Lifted Innovations Inc.
Consolidated Statement of Changes in Shareholders' Equity (Deficiency)
(Expressed in US Dollars)

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total
Balance as at November 1, 2018		61,300,000	\$ 2,824,963	\$ 261,802	\$ (745,841)	\$ 2,340,924
Share-based compensation	10	-	-	157,691	-	157,691
Net loss and comprehensive loss		-	-	-	(2,793,739)	(2,793,739)
Balance as at October 31, 2019		61,300,000	\$ 2,824,963	\$ 419,493	\$ (3,539,580)	\$ (295,124)
Share-based compensation	10	-	-	38,035	-	38,035
Net loss and comprehensive loss		-	-	-	(391,779)	(391,779)
Balance as at April 30, 2020 (unaudited)		61,300,000	\$ 2,824,963	\$ 457,528	\$ (3,931,359)	\$ (648,868)

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total
Balance as at February 27, 2018		-	\$ -	\$ -	\$ -	\$ -
Issuance of share capita related to financings, net of share issue costs of \$15,133	10	26,300,000	2,557,528	-	-	2,557,528
Issuance of share capital related to business acquisition	4	35,000,000	267,435	-	-	267,435
Share-based compensation	10	-	-	261,802	-	261,802
Net loss and comprehensive loss		-	-	-	(745,841)	(745,841)
Balance as at October 31, 2018		61,300,000	\$ 2,824,963	\$ 261,802	\$ (745,841)	\$ 2,340,924
Share-based compensation	10	-	-	91,818	-	91,818
Net loss and comprehensive loss		-	-	-	(1,658,881)	(1,658,881)
Balance as at April 30, 2019 (unaudited)		61,300,000	2,824,963	353,620	- 2,404,722	773,861

The accompanying notes are an integral part of these consolidated financial statements

Lifted Innovations Inc.
Consolidated Statement of Cash Flows
(Expressed in US Dollars)

		For the six month ended		For the year ended	For the period
	Note	April 30, 2020	April 30, 2019	October 31, 2019	from incorporation on February 27, 2018 to October 31, 2018
		(unaudited)	(unaudited)		
		\$	\$	\$	\$
CASH PROVIDED BY (USED IN):					
Operating activities					
Net Loss		(391,779)	(1,658,881)	(2,793,739)	(745,841)
Items not affecting cash:					
Amortization	7,8	17,025	18,458	37,474	22,374
Share based compensation	10	38,035	91,818	157,691	261,802
Write-off of trade and other receivables	6	-	-	18,629	-
Impairment of intangible assets	8	-	-	9,845	-
Accrued interest on short-term investment		1,830	136	12,666	(18,623)
Unrealized foreign exchange loss		3,774	42,316	27,570	44,573
Cash flows used in operating activities before changes in working capital					
		(331,115)	(1,506,153)	(2,529,864)	(435,715)
Trade and other receivables		(3,185)	116,907	82,744	(149,203)
Prepaid assets		(50,824)	200,247	325,841	(336,265)
Inventory		-	(15,741)	-	-
Trade and other liabilities		172,402	123,520	360,463	561,823
Net cash flows used in operating activities					
		(212,722)	(1,081,220)	(1,760,816)	(359,360)
Financing Activities					
Issuance of share capital, net of share issue costs		-	-	-	2,557,528
Cash flows from financing activities					
		-	-	-	2,557,528
Investing activities					
Additions to property and equipment	7	-	(6,705)	(6,705)	-
Additions to intangible assets	8	-	(8,000)	(8,000)	(50,470)
Purchase of short-term investment		-	-	-	(2,252,140)
Redemption of short term investment, net		231,841	1,190,723	1,755,834	192,675
Cash flows provided by (used in) investing activities					
		231,841	1,176,018	1,741,129	(2,109,935)
NET INCREASE IN CASH					
		19,119	94,798	(19,687)	88,233
CASH, BEGINNING OF THE PERIOD					
		68,546	88,233	88,233	-
CASH, END OF THE PERIOD					
		\$ 87,665	\$ 183,031	\$ 68,546	\$ 88,233

The accompanying notes are an integral part of these consolidated financial statements

Lifted Innovations Inc.
Notes to the Consolidated Financial Statements
Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation
on February 27, 2018 to October 31, 2018
(Expressed in US Dollars)

1. CORPORATE INFORMATION

Lifted Innovations Inc. (formerly Lifted Cannabis) ("Lifted" or the "Company"), a company incorporated under the laws of Canada on February 27, 2018, is an e-commerce business that distributes vaporizers and accessories for aromatherapy and other purposes. Lifted is an entity formed under the Canada Business Corporations Act. The Company's fiscal year end is October 31.

The Company's registered office is at 550 Burrard St #2300, Vancouver, British Columbia V6C 2B5.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and, in the opinion of management, include all adjustments necessary for fair presentation.

These consolidated financial statements were approved and authorized by the Board of Directors of the Company on June 19, 2020.

COVID-19 outbreak

Since year ended October 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company's products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

2. BASIS OF PRESENTATION

Basis of consolidation

The consolidated financial statements include the accounts of Lifted Innovations Inc. and its wholly owned subsidiary, Lifted Technology Inc. ("Lifted Tech"). Lifted Tech was incorporated under the laws of the state of Delaware on June 5, 2018, and is an e-commerce business that distributes vaporizers and accessories for aromatherapy and other purposes. Lifted Tech an entity formed under the General Corporation Law of the State of Delaware. Lifted Tech's fiscal year end is October 31.

These unaudited interim financial statements of the Company, for the six months ended April 30, 2019 and 2018, have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and follow the same accounting policies as the consolidated financial statements for the period from the date of incorporation on February 27, 2018 to October 31, 2018 and year ended October 31, 2019.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Wholly-owned subsidiaries are entities controlled by the Company and where the parent owns 100% of the shares. The financial statements of wholly-owned subsidiaries are included in the Company's consolidated financial statements from the date that control commences until the date that control ceases.

All intercompany balances and transactions, and any revenues and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Presentation and Functional Currency

The consolidated financial statements are presented in US Dollars. The functional currency of Lifted Innovations Inc. and its wholly-owned subsidiary Lifted Tech. is the US Dollar.

Foreign currency transactions that are in a different currency than the functional currency are recorded at the exchange rate as at the date of the transaction. At the end of each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities in foreign currencies other than the functional currency are translated using the historical rate. Gains and losses on transaction are included in the profit and loss.

Lifted Innovations Inc.
Notes to the Consolidated Financial Statements
Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation
on February 27, 2018 to October 31, 2018
(Expressed in US Dollars)

2. BASIS OF PRESENTATION (continued)

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except as detailed in the accounting policies notes.

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

In particular information about significant areas of estimation uncertainty and judgment considered by management in preparing the consolidated financial statements includes:

Areas of significant management judgment:

- *Useful lives of intangible assets*
The determination of the useful lives of the Company's intangible assets is a matter of judgment. Future earnings would be affected if actual useful lives differ from those estimated by the Company.
- *Expected credit loss*
In calculating the expected credit loss on financial instruments, management is required to make a number of judgments including the probability of possible outcomes with regards to credit loss, the discount rate to use for time value of money and whether the financial instrument's credit risk has increased significantly since initial recognition
- *Income taxes*
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Because the Company is in a loss position, it has not recognized the value of any deferred tax assets in its statement of financial position.
- *Functional currency*
The determination of functional currency is a matter of judgement. Some of the Company's transactions are denominated in foreign currencies. The majority of the Company's revenues and expenditures are in United States dollars. Management has assessed the functional currency as United States dollars.
- *Contingencies*
Management uses judgement to assess the existence of contingencies. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Management also uses judgement to assess the likelihood of the occurrence of one or more future events.
- *Going concern risk assessment*
The assessment of the Company's ability to continue as a going concern involves significant judgment based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Sources of estimation uncertainty:

- *Share-based compensation*
The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the fair value of the Company's common shares, expected life of the share option, forfeiture rate, volatility and dividend yield and making assumptions about them.
- *Business combinations*
Management uses valuation techniques in determining the fair values of the various elements of a business combination. The determination of fair value of identifiable intangible assets, in particular, requires the use of significant estimates and assumptions.

Lifted Innovations Inc.
Notes to the Consolidated Financial Statements
Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation
on February 27, 2018 to October 31, 2018
(Expressed in US Dollars)

2. BASIS OF PRESENTATION (continued)

- *Expected credit loss*

The Company calculates expected credit loss ("ECLs") for trade receivables based on the historical default rates over the expected life of the trade receivable and adjusts for forward looking estimates, which is determined through the exercise of judgment. The Company's ECL model relies on forward looking information and economic inputs, such as default rates, industry growth rate, geography etc. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgment. The allowance the Company records, if any, is the sum of these probability weighted outcomes.

- *Impairment of non-current assets*

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Impairment of intangible assets with indefinite lives are assessed for impairment on an annual basis. This assessment takes into account factors such as economic and market conditions as well as any changes in the expected use of the asset.

Management assesses property and equipment, as well as in use intangible assets with finite lives for any indicators of impairment annually. The assessment for indicators of impairment is dependent upon estimates of recoverable amounts that take in account factors such as economic and market conditions, as well as the useful lives of assets.

Going concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

At April 30, 2020, the Company had cash of \$87,665 (October 31, 2019 - \$68,546; October 31, 2018 - \$88,233), negative working capital of \$894,760 (October 31, 2019 - negative working capital of \$558,041; October 31, 2018 - positive working capital of \$2,045,393) and had negative cash flows from operating activities of \$212,722 (year ended October 31, 2019 - \$1,760,816; period ended October 31, 2018 - \$359,360). The Company incurred a net loss of \$391,779 for the period ended April 30, 2020 (year ended October 31, 2019 - \$2,793,739; period ended October 31, 2018 - \$745,841) and as of that date had an accumulated deficit of \$3,931,359 (October 31, 2019 - \$3,539,580; October 31, 2018 - \$745,841).

The above factors indicate material uncertainties, which may cast significant doubt about the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

The ability of the Company to continue as a going concern is dependent on generating profitable operations, raising additional financing, and developing its products and services. The Company is not yet generating positive cash flows from operations. No assurance can be given that any such additional financing will be available, or that it can be obtained on terms favorable to the Company. Failure to obtain additional financing or generate profitable operations, results in material uncertainties that cast significant doubt as to the Company's ability to continue to operate as a going concern.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

Lifted Innovations Inc.
Notes to the Consolidated Financial Statements
Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation
on February 27, 2018 to October 31, 2018
(Expressed in US Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

Business combinations

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. This is calculated as the sum of the acquisition date fair values of the assets transferred by the Company and liabilities incurred by the Company to the former owners of the acquiree in exchange for control of the acquiree. Acquisition related costs are recognized in profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the Company has a present obligation, and the costs to settle this obligation are both probable and able to be reliably measured.

Trade and other liabilities

Liabilities are recognized for amounts to be paid in the future for goods or services received during the reporting period, whether billed by the supplier or not. Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the Company has a present obligation, and the costs to settle this obligation are both probable and able to be reliably measured.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating policy decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Revenue recognition

The Company derives its revenues from the online sales of vaporizers and accessories through e-commerce platforms. As a result the Company has one performance obligation, the delivery of vaporizers and accessories to end users. Revenue is recognized when goods are dispatched which is generally when control of the goods has transferred from the Company to the customer.

Payment of the transaction price is due immediately at the time of the order being made by the end customer. Customer orders are dispatched on the same day the order is made, which results in the Company not having open contracts at the period end. As a result the Company does not record any contract liabilities. Customers payments are normally made through payment gateways.

Customers do not have a right of return except for defective items. Such returns historically have been limited as a result the Company has not recorded any liability associated with warranty.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cost of Sales

Cost of sales includes all expenditures to purchase the products.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

Earnings (Loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding for the year.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted average number of common shares outstanding for the year including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares. The diluted loss per share is equal to the basic loss per share because the effect of options is antidilutive.

Income taxes

Tax expense is recognized in the statement of loss, except to the extent it relates to items directly in equity, in which case the related tax is recognized in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Segmented Reporting

The Company operates in one business segment being the distribution of vaporizers and accessories for aromatherapy and other purposes.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Financial assets of the Company are comprised of cash, short term investment and trade and other receivables. The financial liabilities of the Company are comprised of trade and other liabilities.

Financial assets and financial liabilities are recognized in the statement of financial position initially at fair value when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

Financial assets are measured based on the business model in which assets are managed and their contractual cash flow characteristics. Financial assets are classified and measured based on these categories: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Financial liabilities are classified and measured based on two categories: amortized cost or fair value through profit and loss. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated, but the hybrid financial instrument as a whole is assessed for classification.

Trade receivable and trade and other liabilities are currently classified as amortized cost. Cash and short term investment is classified as fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, unless the Company identifies changes in its business model in managing financial assets and would reassess the classification of financial assets.

Impairment of financial assets

Impairment of financial assets is determined based on an 'expected credit loss' ("ECL") model. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The ECL model is applied, at each balance sheet date, to financial assets measured at amortized cost or those measured at fair value through other comprehensive loss, except for investments in equity instruments. The ECL model will result in an allowance for credit losses being recorded on financial assets irrespective of whether there has been an actual loss event.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12 month ECLs: These are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company applied the practical expedient to determine ECLs for its trade receivables based on historical credit loss experiences to estimate lifetime ECLs. The Company analyzed its trade receivable as at October 31, 2019 and 2018, and determined that no loss allowance was required at that time.

Intangibles

Purchased intangible assets are recognized as assets in accordance with IAS 38, *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the cost of the asset can be determined reliably. Intangible assets acquired are initially recognized at cost of purchase and are subsequently carried at cost less accumulated amortization, if applicable, and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Customer lists have a useful life not exceeding 5 years. Brand names have an indefinite useful life, and are tested for impairment annually.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment testing of intangibles

Intangible assets with indefinite life are tested for impairment annually. All other intangible assets are reviewed at each reporting date to determine whether events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, then the assets recoverable amount is estimated.

Intangible assets with indefinite life are tested for impairment annually. All other intangible assets are reviewed at each reporting date to determine whether events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, then the assets recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The discount factors are determined individually and reflect their respective risk profiles as assessed by management. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in net earnings. Impairment losses recognized are allocated to reduce the carrying amounts of assets.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re-measured. Foreign denominated monetary assets and liabilities are translated to the Company's functional currency equivalents using foreign exchange rates prevailing at the financial position reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss and included in Other expenses on the consolidated statement of loss and comprehensive loss.

Accounting policies adopted during the period

Beginning on November 1, 2019, the Company adopted certain standards and amendments. The nature and the effect of these changes are disclosed below:

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 which replaces IAS 17 Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company does not have any leases that would be applicable to this standard and the implementation of these amendments did not have a significant impact on the consolidated financial statements.

Conceptual Framework

On March 29, 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. This amendment is effective on January 1, 2020. The Company adopted this amendment in its consolidated financial statements beginning November 1, 2019 and the adoption did not have a material impact on the consolidated financial statements.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Definition of a Business

On October 22, 2018, the IASB issued a narrow scope amendment to IFRS 3. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. This amendment is effective on January 1, 2020 and is to be applied prospectively. The Company adopted the amendment to IFRS 3 in its consolidated financial statements beginning November 1, 2019 and the adoption of the amendment to IFRS 3 did not have a material impact on the consolidated financial statements.

4. BUSINESS ACQUISITION

On March 16, 2018, the Company purchased certain assets of ESC Hughes Holdings Ltd. ("ESC") representing its business based in the United States consisting of four websites. The Company acquired assets constituting an identifiable business thereby acquiring control of the business. The websites acquired consist of an e-commerce platform for the retail distribution of vaporizers with a presence in the United States. The websites acquired were EveryoneDoesIt.com, NamasteVapes.com, DistributionGoods.com, and LeafScience.com.

As Lifted was incorporated with the intention of entering the US market, the acquisition was effected to achieve this objective.

The Company acquired the business, for 35,000,000 shares at a value of \$0.01 Canadian dollars per share, which translates to a value of \$267,435.

<i>Consideration paid for ESC</i>	<i>March 16, 2018</i>
Common Shares	\$ 267,435
Net purchase price	\$ 267,435

The purchase price allocation attributed to the identifiable net assets acquired is as follows:

<i>Purchase price allocation ESC</i>	<i>March 16, 2018</i>
Customer Lists	\$ 178,992
Internet Domain Names	88,443
Net purchase price	\$ 267,435

The fair values of the assets acquired were determined using inputs under level 3 on the fair value hierarchy, and are subject to volatility and several uncontrollable factors. The useful life of the internet domain names is indefinite. The useful life of the customer lists did not exceed five years.

Total acquisition costs related to the business combination amounted to \$20,468. These expenses related mainly to legal costs incurred which are included in the statement of loss.

Please refer to Note 9 for impairment assessment of intangible assets.

5. SHORT TERM INVESTMENTS

Short-term investments consist of cashable guaranteed investment certificates maturing May 2020 (2018 – May 2019) and bearing interest of 1.8% (2018 – 1.8%). \$78,000 of the guaranteed investment certificate has been pledged as collateral for use of corporate credit cards. During the period ended April 30, 2020, the Company has redeemed the entire balance of the cashable guaranteed investment certificates. The Company has recorded interest income of \$16,362 for the year ended October 31, 2019 (2018 - \$18,472) and \$1,957 for the six months ended April 30, 2020 (six months ended April 30, 2019 - \$15,187).

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6. TRADE AND OTHER RECEIVABLES

As at April 30, 2020, included in trade and other receivables is a sales tax recoverable of \$33,566 (year ended October 31, 2019 and 2018 - \$28,618 and \$44,309), trade receivables of \$Nil (year ended October 31, 2019 and 2018 - \$Nil and \$104,894) and other receivables of \$17,449 (year ended October 31, 2019 and 2018 - \$19,212 and \$Nil). The Company has \$Nil loss allowance or write-off as at April 30, 2020 (year ended October 31, 2019 and 2018 – write-off of \$18,629 and \$Nil).

7. PROPERTY AND EQUIPMENT

	Computer Equipment \$
Costs	
As at February 27, 2018 and October 31, 2018	-
Additions	6,705
As at October 31, 2019	6,705
Additions	-
As at April 30, 2020	6,705
Accumulated depreciation and impairment	
As at February 27, 2018 and October 31, 2018	-
Amortization	1,676
As at October 31, 2019	1,676
Amortization	1,118
As at April 30, 2020	2,794
Net carrying value	
As at October 31, 2018	-
As at October 31, 2019	5,029
As at April 30, 2020 (<i>unaudited</i>)	3,911

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8. INTANGIBLE ASSETS

	Customer List \$	Internet Domain Names \$	Total \$
Costs			
As at February 27, 2018	-	-	-
Additions from ES Acquisition (Note 4)	178,992	88,443	267,435
Additions	-	50,470	50,470
As at October 31, 2018	178,992	138,913	317,905
Additions	-	8,000	8,000
Impairment	-	(9,845)	(9,845)
As at October 31, 2019	178,992	137,068	316,060
Additions	-	-	-
As at April 30, 2020 (unaudited)	178,992	137,068	316,060
Accumulated depreciation and impairment			
As at February 27, 2018	-	-	-
Amortization	22,374	-	22,374
As at November 1, 2018	22,374	-	22,374
Amortization	35,798	-	35,798
Impairment	-	-	-
As at October 31, 2019	58,172	-	58,172
Amortization	15,907	-	15,907
As at April 30, 2020 (unaudited)	74,079	-	74,079
Net carrying value			
As at October 31, 2018	156,618	138,913	295,531
As at October 31, 2019	120,820	137,068	257,888
As at April 30, 2020 (unaudited)	104,913	137,068	241,981

Impairment of intangible assets with definite and indefinite life

Annual impairment testing involves determining the recoverable amount of the indefinite life assets and comparing this to the carrying value of the asset. The measurement of the recoverable amounts of the assets was calculated based on value in use. For the customer list, the value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the assets. For the internet domain names, the value in use was determined using the relief from royalty method by discounting the future royalties expected to be generated from operations. The calculation of the value in use based on discounting the future cash flows was based on the following key assumptions:

- Cash flows were projected based on the Company's long-term business plan. Cash flows for a further perpetual period were extrapolated using a fade rate of 10.5% for customer list and growth rate assumptions based on historical growth rates and post-tax royalty rate of 3% for each internet domain names.
- The business plan contains forecasts based on past experience of actual operating results in conjunction with anticipated future growth opportunities and is consistent with the projections and expectations as articulated in the Company's strategic plan.
- Discount rates applied in determining the recoverable amount of the assets were 13.7% (2018: 13.7%). The discount rates were estimated based on past experience and the weighted average cost of capital of the assets.

On October 31, 2019, in accordance with IAS 36, the Company completed an impairment analysis and recognized \$9,845 (2018 – \$Nil) in impairment of intangible assets on one its internet domain names and the amount was recognized in the statement of loss and comprehensive loss. Management decided that impairment was appropriate as the Company has no concrete plan in the foreseeable future to operate the domain name and generate future economic benefits to the Company.

No impairment loss was recognized for the six months ended April 30, 2020 (six months ended April 30, 2019 - \$Nil).

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9. RELATED PARTY TRANSACTIONS

Key management includes the Company's directors, senior officers and any employees with authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly.

Compensation, Key Executives

	For the six months ended April 30, 2020 <i>(unaudited)</i>	For the six months ended April 30, 2019 <i>(unaudited)</i>	For the year ended October 31, 2019	For the period from incorporation on February 27, 2018 to October 31, 2018
	\$	\$	\$	\$
Short-term compensation	-	85,453	107,071	82,399
Share-based compensation	20,222	61,384	63,955	177,601
	20,222	146,837	171,026	260,000

As at April 30, 2020, included in trade and other liabilities was \$42,500 (unaudited) owing to a company controlled by a director (October 31, 2019 and 2018 - \$10,000 and \$Nil) for consulting fees incurred of \$10,000 for the year ended October 31, 2019 (2018 - \$Nil) and \$32,500 (unaudited) for the six months ended April 30, 2020 (six months ended April 30, 2019: \$Nil).

10. SHARE CAPITAL

Authorized share capital

The Company has authorized for issuance an unlimited number of common shares. At April 30, 2020, October 31, 2019 and 2018, the Company had 61,300,000 common shares issued and outstanding, with no par value.

Issuance of Shares

	Number of Shares	Net Proceeds \$
Opening balance - February 27, 2018	-	-
Issued during the period ended October 31, 2018, net of share issue costs of \$15,133	26,300,000	2,557,528
Issued due to ESC business acquisition (Note 4)	35,000,000	267,435
Balance as at October 31, 2018 and 2019 and April 30, 2020 (unaudited)	61,300,000	2,824,963

On February 27, 2018, \$7,849 of equity capital was secured to incorporate the Company. In exchange, 1,000,000 shares were issued at \$0.01 Canadian dollars per share.

On March 14, 2018, the Company closed a non-brokered private placement by issuing 1,000,000 shares at a price of \$0.01 Canadian dollars per share for total gross proceeds of \$7,647.

On March 16, 2018, 35,000,000 shares were issued at a price of \$0.01 Canadian dollars per share pursuant to the Company's purchase agreement with ESC (Note 4). The fair value of the per share price was determined based on the private placement most recently closed by the Company on March 14, 2018.

On March 23, 2018, the Company closed a non-brokered private placement by issuing 10,000,000 shares at a price of \$0.04 Canadian dollars per share for total gross proceeds of \$310,415 (C\$ 400,000).

On April 5, 2018, the Company completed the first tranche of a non-brokered private placement of 2,500,000 Common Shares at a price of \$0.20 Canadian dollars per share for total gross-proceeds of \$392,804 (C\$ 500,000).

On April 9, 2018, the Company completed the second tranche of a non-brokered private placement of 11,800,000 Common Shares at a price of \$0.20 Canadian dollars per share for total gross-proceeds of \$1,853,946 (C\$ 2,360,000)

Total share issue costs incurred during the year ended October 31, 2019 were Nil (period from incorporation on February 27, 2018 and October 31, 2018 were \$15,133).

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10. SHARE CAPITAL (continued)

Stock Options

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board. The aggregate number of common shares issuable pursuant to options granted under the plan is 6,130,000 common shares, being 10% of the Company's issued common shares under the plan. The board of directors has the exclusive power over the granting of options and their vesting and cancellation provisions.

Options Outstanding

The following is a summary of the changes in the Company's stock option plan for the period ending October 31, 2018, year ended October 31, 2019 and period ended April 30, 2020 (*unaudited*):

	Number of Options	Weighted average exercise price (CAD) \$
Outstanding, February 27, 2018	-	-
Granted	3,900,000	0.28 (US\$0.20)
Exercised	-	-
Forfeited	(500,000)	0.20 (US\$0.15)
Outstanding, October 31, 2018	3,400,000	0.29 (US\$0.21)
Granted	3,030,000	0.20 (US\$0.15)
Exercised	-	-
Forfeited	(2,680,000)	0.31 (US\$0.23)
Outstanding, October 31, 2019 and April 30, 2020 (unaudited)	3,750,000	0.21 (US\$0.16)

There were one grant and nine forfeiture of options during the year ended October 31, 2019 (period ended October 31, 2018: four grants and one forfeiture).

- On April 9, 2018, 2,750,000 options were issued with an exercise price of C\$ 0.20 (\$0.15).
- On May 14, 2018, 100,000 options were issued with an exercise price of C\$ 0.20 (\$0.15).
- On May 21, 2018, 350,000 options were issued with an exercise price of C\$ 0.50 (\$0.37).
- On August 20, 2018, 700,000 options were issued at an exercise price of C\$ 0.50 (\$0.37).
- During the period ended October 31, 2018, 500,000 options with an exercise price of C\$ 0.20 (\$0.15) and with a life of 5 years were forfeited.
- On July 31, 2019, 3,030,000 options were issued at an exercise price of C\$ 0.20 (\$0.15).
- During the year ended October 31, 2019, 2,680,000 options with a weighted average exercise price of C\$ 0.31 (\$0.23) and with a life of 5 years were forfeited.

All options granted during the period ended October 31, 2018 vest over two years with one-third vesting immediately, one-third after one year, and the remaining after two years.

All options granted during the year ended October 31, 2019 vest over 5 months with one-half vesting immediately and the remaining after 5 months.

The total fair value of options granted during the year ended October 30, 2019 was \$149,395 (2018 - \$463,770) and amount recognized as share-based compensation in the statement of loss and comprehensive loss was \$157,691 (2018 - \$261,802).

No options were granted during the six months ended April 30, 2020 and the amount recognized as share-based compensation in the statement of loss and comprehensive loss was 38,035 (six months ended April 30, 2019 - \$91,818) (*unaudited*).

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10. SHARE CAPITAL (continued)

Options Exercisable

The following are summaries of the exercisable stock options for the period ended April 30, 2020 (*unaudited*), year ended October 31, 2019 and period ended October 31, 2018:

Weighted average exercise price	Number of Options	Vested	Weighted average remaining life (years)
\$0.15	3,650,000	3,616,667	3.56
\$0.50	100,000	66,667	3.06
Balance as at April 30, 2020 (<i>unaudited</i>)	3,750,000	3,683,333	3.54

Weighted average exercise price	Number of Options	Vested	Weighted average remaining life (years)
\$0.20 (US\$0.15)	3,650,000	3,000,000	4.05
\$0.50 (US\$0.38)	100,000	66,667	3.56
Balance as at October 31, 2019	3,750,000	3,066,667	4.04

Weighted average exercise price	Number of Options	Vested	Weighted average remaining life (years)
\$0.20 (US\$0.15)	2,350,000	783,333	4.49
\$0.50 (US\$0.37)	1,050,000	350,000	4.68
Balance as at October 31, 2018	3,400,000	1,133,333	4.55

Black-Scholes assumptions for options

The assumptions used for the calculation of the fair value of the options are as follows:

	2019	2018
Volatility	100%	125%
Risk-free interest rate	1.46%	1.84%
Expected life (years)	5 years	5 years
Dividend yield	Nil	Nil
Share price	C\$0.1 (US\$0.08)	C\$0.2 (US\$0.16)

Volatility is calculated by using the historical volatility of other public companies that the Company considers comparable that have trading and volatility history. The expected life in years represents the time that the options granted are expected to be outstanding. The risk-free rate is based on zero coupon Canada government bonds with a remaining term equal to the expected life of the options.

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11. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

Financial instruments that are measured at fair value use inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level Two includes inputs that are observable other than quoted prices included in Level One; and
- Level Three includes inputs that are not based on observable market data.

As at April 30, 2020 (*unaudited*), October 31, 2019 and 2018, both the carrying and fair value amounts of all the Company's financial instruments are approximately equivalent due to their short-term nature. Cash and short term investments are classified under the fair value hierarchy as Level One.

Financial Instruments – Risk Management

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash, short term investments and trade and other receivables (excluding sales tax receivable). Management believes credit risk with respect to its financial instruments is minimal. The Company's maximum exposure to credit risk as at April 30, 2020 (*unaudited*), October 31, 2019 and 2018 is the carrying value of cash, short term investments and trade and other receivables. Credit risk on cash and short-term investments are mitigated as it is held in a Tier 1 financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting its operations and anticipating its operating and investing activities. All amounts in current liabilities as at April 30, 2020 (*unaudited*), October 31, 2019 and 2018 are due within 6 months.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices and specifically to foreign currency risk.

Foreign currency risk

The Company holds cash and short-term investments denominated in Canadian dollars. The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of settlement of their trade and other liability balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Below is a list of all financial instruments in their base currency:

	April 30, 2020 (<i>unaudited</i>)	October 31, 2019	October 31, 2018
	\$	\$	\$
Cash - CAD	94,343	6,397	76,870
Short term investment - CAD	-	312,468	2,672,446
Trade and other receivables - CAD	46,691	41,196	58,426
Trade and other liabilities - CAD	(718,176)	(736,139)	(354,102)

An increase or decrease of 10% change in the US exchange rate would impact net loss by approximately \$28,587 for the year ended October 31, 2019 (2018 - \$186,702) and \$41,491 for the period ended April 30, 2020 (*unaudited*).

Lifted Innovations Inc.
Notes to the Consolidated Financial Statements
Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation
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12. CAPITAL MANAGEMENT

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as shareholders' equity. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

13. INCOME TAXES

The relationship between the expected tax recovery based on the statutory tax rate and the reported tax recovery in the statement of loss and be reconciled as follows:

	October 31, 2019	October 31, 2018
	\$	\$
Income Tax Expense (Recovery)		
Accounting loss before income tax	(2,793,739)	(745,841)
Expected income tax recovery at the statutory rates - 26.5% in Canada and 21.0% in the United States	(722,508)	(192,609)
<i>Adjustments for the following items:</i>		
Share-based compensation	41,788	69,378
Tax rate changes and other adjustments	2,609	(1,184)
Increase in valuation allowance	678,111	124,415
Income Tax Expense	-	-

As at October 2019, the Company has US non-capital loss carry forwards of approximately \$507,471 (2018: \$91,616) which can be used to reduce taxable income of future years. The benefits from the non-capital loss carryforward balance has not been recorded in the consolidated financial statements. These non-capital losses do not expire.

The Canadian non-capital loss carryforward of \$3,041,108, of which \$379,893 expires in 2038, with the balance expiring in 2039.

14. SEGMENTED DISCLOSURE

Revenues and total assets by country:

	United States	Other	Total
	\$	\$	\$
<i>For the period ended April 30, 2020 (unaudited)</i>			
Net revenue	850,767	4,138	854,905
<i>As at April 30, 2020 (unaudited)</i>			
Total assets	46,217	399,603	445,820
<i>For the year ended October 31, 2019</i>			
Net revenue	1,103,179	16,416	1,119,595
<i>As at October 31, 2019</i>			
Total assets	78,961	548,201	627,162
<i>For the period ended October 31, 2018</i>			
Net revenue	644,368	78,281	722,649
<i>As at October 31, 2018</i>			
Total assets	267,275	2,635,472	2,902,747

Lifted Innovations Inc.

Notes to the Consolidated Financial Statements

Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018

(Expressed in US Dollars)

15. SUBSEQUENT EVENTS

On May 18, 2020, the Company entered into a binding letter agreement with Kootenay Zinc Corp. ("Kootenay"), Canndora Delivery Limited ("Canndora") and Greeny Collaboration Group (Canada) Inc. ("Greeny") to effect a proposed business combination, which would result in a reverse takeover and change of business of Kootenay, with the resulting issuer continuing as a combination of the businesses of the Company, Canndora and Greeny. On May 19, 2020, Kootenay issued a press release announcing the binding letter agreement, and in accordance with Canadian Securities Exchange policies, Kootenay Common Shares were halt traded.

On June 15, 2020, the Company issued a convertible promissory note (the "Note") to a third party vendor in a principal amount of \$268,900 Canadian Dollars in lieu of fee payable for certain consulting services provided by the vendor to the Company in the past. The fee payable was included as part of "Trade and other liabilities" in the consolidated statement of financial position as at April 30, 2020. The Note is non-interest bearing, convertible any time prior to the maturity date and will mature in 18 months from the effective date, unless such maturity date is otherwise shortened due to the occurrence of an Accelerated Maturity Event, which is defined as the completion of an offering by the Company of common shares with gross proceeds of at least \$2 million, provided that the Company is at the time of such offering a reporting issuer in at least one province in Canada and such common shares are listing for trading on a recognized stock exchange in Canada. The Note is convertible at a conversion price equals to the fair market value per common share determined by (i) agreement between the vendor and the Company if the Company's shares are not listed on a recognized stock exchange; or (ii) the 20 trading day volume weighted average price of the common share of the Company if the Company is listed and trading on a recognized stock exchange.

On June 18, 2020, the Company issued a total of 130,479 common shares at a price of \$1.15 Canadian Dollars to a third party vendor and a company controlled by a director of the Company, in lieu of fee payables totaling \$150,050 Canadian Dollars for certain marketing and consulting services provided by the parties to the Company. \$88,943 of the fee payables were included as part of "Trade and other liabilities" in the consolidated statement of financial position as at April 30, 2020.

SCHEDULE B TO APPENDIX D

LIFTED MD&A

**FOR THE SIX MONTHS ENDED APRIL 30, 2020,
THE YEAR ENDED OCTOBER 31, 2019, AND
THE PERIOD FROM FEBRUARY 27, 2018 (DATE OF INCORPORATION) TO OCTOBER 31, 2018**

[See Attached]

Management Discussion & Analysis

Lifted Innovations Inc.

**For the six months ended April 30, 2020, the year ended October 31, 2019 and
period from incorporation on February 27, 2018 to October 31, 2018**

(Expressed in US Dollars)

Lifted Innovations Inc.

Management Discussion & Analysis

Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018

(in US Dollars)

This "Management's Discussion and Analysis" ("MD&A") has been prepared as at June 19, 2020, and should be read in conjunction with the consolidated financial statements of Lifted Innovations Inc. (the "Company") for the six months ended April 30, 2020, the year ended October 31, 2019 and the period from incorporation on February 27, 2018 to October 31, 2018. This MD&A is dated for reference as at the date of the Management Information Circular of Kootenay Zinc Corp. to which this MD&A is attached (the "Circular").

Management's responsibility for financial reporting

The MD&A for the Company is the responsibility of management. The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the MD&A.

Cautionary note regarding forward looking information

This MD&A includes certain forward-looking information that are based upon current expectations of management and which involve risks and uncertainties associated with the Company's business and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be statements containing forward-looking information, which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook.

Management believes that its expectations reflected in the forward-looking information are based on reasonable assumptions, including assumptions relating to economic, market and political conditions relating to the industry in which the Company operates, as well as assumptions regarding the Company's business, however, no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. While forward-looking information reflects the Company's current expectations regarding future results or events, they are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below and under the heading "Risk Factors" in the Circular of which this MD&A forms a part.

Readers are cautioned that the risk and uncertainties referenced above are not exhaustive. Although management has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors (both unknown to management or that management does not consider to be material) that may cause events or results to differ from those intended, anticipated or estimated.

The forward-looking information contained in this MD&A is provided as of the date hereof and management undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Basis of presentation and statement of compliance

The Company's unaudited consolidated interim financial statements and audited consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") as are issued by the International Accounting Standards Board (IASB).

The principal accounting policies adopted in the preparation of the unaudited consolidated interim financial statements and audited consolidated financial statements are set out below. The unaudited consolidated interim financial statements and audited consolidated financial statements are presented in United States ("US") dollars, which is the Company's reporting and functional currency.

The preparation of these unaudited consolidated interim financial statements and audited consolidated financial statements in compliance with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited consolidated interim financial statements and audited consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the unaudited consolidated interim financial statements and audited consolidated financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses various factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes differ from these estimates under different assumptions and conditions.

The critical judgments and significant estimates in applying accounting policies that have the most significant effect on the amounts recognized in the unaudited consolidated interim financial statements and audited consolidated financial statements:

Lifted Innovations Inc.

Management Discussion & Analysis

Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018
(in US Dollars)

Critical judgements

- Useful lives of intangible assets
- Expected credit loss
- Income taxes
- Functional currency
- Contingencies
- Going concern risk assessment

Significant Estimates

- Share-based compensation
- Business combinations
- Expected credit loss
- Impairment of non-current assets

Description of the business

Lifted Innovations Inc. was incorporated on February 27, 2018, and acquired its primary assets in a purchase of assets from ESC Hughes Holdings Ltd. ("ESC") on March 16, 2018, representing ESC's business based in the United States consisting of four e-commerce websites.

The Company is a Canadian based, B2C e-commerce company providing vaporizers, cannabis-related accessories, ancillary, and CBD products in the United States and Canada. The Company currently operates a drop-shipping platform through five domain names (being <EveryoneDoesIt.com>, <NamasteVaporizers.com>, <LiftedCBD.com>, <Lifted.com>, and <LeafScience.com>) and intends to leverage its market share to expand into additional business segments including a same-day cannabis delivery service and a telemedicine platform.

The Company is incorporated under the laws of Canada under the Canada Business Corporations Act, with its registered office located at 550 Burrard St., Suite 2300, Vancouver, British Columbia V6C 2B5.

E-Commerce Platforms

Lifted's primary business is the sale and distribution of vaporizers, cannabis-related accessories, ancillary, and CBD products (collectively, "CBD, cannabis-related accessories and ancillary products"), via its e-commerce portals Namastevapes.com, EveryoneDoesIt.com, LiftedCBD.com, Leafscience.com and Lifted.com (the "E Commerce Sites"). The Company does not produce, distribute or sell products containing cannabis but may, in the future, distribute and/or sell products containing cannabis but only when market conditions indicate opportunity and local regulatory requirements permit. No assurance can be provided that the Company will expand its business to distribute or sell cannabis-based products. See " – Opportunities for Growth – Potential Expansion into Cannabis-based Products" and "Risk Factors".

Based on website traffic data in respect of the E-Commerce Sites provided by Google Analytics (a web analytics service offered by Google that tracks and reports website traffic), the top five U.S. states in terms of website traffic on the Company's E Commerce Sites from Jan 1, 2019 to December 31, 2019 was the following: California (with a total of 114,620 unique user visits); Texas (with a total of 61,814 unique user visits); New York (with a total of 72,199 unique user visits); Florida (with a total of 53,637 unique user visits); and Illinois (with a total of 40,512 unique user visits). These figures highlight the Company's potential customer base.

The E-Commerce Sites currently offer an extensive range of brand-name vaporizers, CBD products and are a source of both general and specific information, reviews and media regarding the industry and related products. The Company is currently focused on expanding its product offerings and growing its U.S. presence through both organic and acquisitive growth.

Namastevapes.com is focused principally on top-tier vaporizer brands and products that are currently available on the market. The website's design and content is aimed at educating purchasers about the technology behind the products in order to guide customers to make an informed purchasing decision. The Company is expanding its product line to include CBD products.

EveryoneDoesIt.com focuses on the mid-tier recreational cannabis market, driving sales principally in the area of glass paraphernalia and accessories. The website aims to offer cannabis-related accessories and ancillary products that are unique in the market and those which are not easily accessible for online purchase. The Company is expanding its product line to better serve this specialized market. Customers typically access this platform in order to find new and unique products and brands. The website's content and design reflect the more casual nature of this segment of the recreational market.

LiftedCBD.com is focused on providing consumers with a marketplace platform for CBD products. The Company is leveraging its innovative drop-shipping platform to connect CBD vendors directly to consumers. The website content is designed to educate customers on the benefits of CBD. The Company will be leveraging LeafScience its educational content site to provide a medium for consumers to review, discuss and share videos.

Lifted Innovations Inc.

Management Discussion & Analysis

Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018
(in US Dollars)

Lifted.com is focused on selling top-tiered vaporizer brands and product. Lifted.com will be repurposed in the first quarter of 2021, as our cannabis delivery app providing consumers with access to a large catalogue of branded cannabis products available for same day delivery. Lifted.com will provide interactive forums, blogs, podcast, reviews to educate customers on the best suited options.

Leafscience.com is a news and educational content site owned by the Company that the Company uses to drive traffic to its other E-Commerce Sites. The site is utilized by LiftedCBD.com as a content driver and as a search engine optimization driver to populate higher ranking search results in larger search engines like Google, Bing, Yahoo, etc. In Q4 of 2020 the Company plans to add an ecommerce store that will focus on selling affordable CBD products.

The Company's E-Commerce Sites are currently selling CBD, cannabis-related accessories and ancillary products to purchasers located in all 50 states in the U.S. and Canada with almost all of its revenue driven by U.S.-based customers. The Company is building a cannabis delivery platform that will benefit customers with access to same-day delivery of cannabis, and top-tiered vaporizer products in select U.S. cities, wherever it is legally permissible to do so.

E-Commerce Technology

The Company utilizes Shopify and WooCommerce for its E-Commerce Sites in order to streamline and simplify its accounting, payments and fulfillment process. The review system used in its E-Commerce Sites is powered by Yotpo, which is a third-party review platform that allows customers to review both the products and the customer's experience on the E-Commerce Sites. As Yotpo is a third-party platform, it is expected that this provides confidence to consumers that the reviews and comments are both authentic and transparent.

The Company relies on Shopify and WooCommerce's well-established application program interface ("API") for integrations with other applications and software services. The Company takes advantage of these solutions and systems to automate its order processing. Its tech team also builds proprietary customized software solutions that are not otherwise available by using the API capability of Shopify which plugs into its payment processing.

Order fulfillment is possible with the various partners the Company uses. The Company has agreements in place with multiple vendors in the cannabis space that allows the Company to access their inventory of CBD, cannabis-related accessories and ancillary products and utilize their fulfillment services. This in turn allows the Company to keep its operations lean and focus on building its e-commerce platform.

The technology and processing platforms that the Company utilizes enables it to operate a "dropship" business model. Under this model the Company does not own, manage or hold any physical inventory. Rather, its e-commerce platforms facilitate the sale and processing of products, but all warehousing and product inventory and delivery is processed through its partners. Drop-shipping enables the Company's business to operate with very little overhead, thus maximizing margins and, ultimately, net revenue. The Company's partners also benefit as it offers them a much larger pool of customers than they already serve.

The Company's planned same-day-delivery service platform will be powered by AI and Geo-location technology, that will leverage machine learning to provide the customers with a personalized shopping experience.

Business strategy of the Company

Lifted intends to increase revenue growth by adding to its library of targeted products and acquiring complementary e-commerce platforms to expand its market scope and presence, in order to combine partnerships and technology to offer full e-commerce solutions in the cannabis industry. Adding and expanding the Company's product lines from the brands it currently offers, and establishing new dropship partners and partnerships with brands, will allow the Company to provide customers with access to an ever-expanding catalogue of CBD, cannabis-related accessories and ancillary products. Furthermore, the Company plans to increase revenue through its same-day cannabis and vaporizer delivery services to both B2C and B2B. No assurance can be given that the Company will be able to successfully grow its services, product base or establish new partnerships or that, if its product base is expanded or new partnerships are entered into, that the Company's business will be positively affected thereby.

Acquisition Opportunities

The Company has identified a number of opportunities to expand by acquisition, however no opportunity identified to date has progressed to the stage of being considered a probable acquisition. The Company's acquisition strategy is to identify companies that complement Lifted in terms of financial profile, geographical focus, and product and service offering and enter into transactions that are accretive to its business. Based on management's analysis of the market, the vaporizer and accessory space is a fragmented and high growth market, which makes the industry ideal for consolidation. No assurance can be given that the Company's acquisition strategy will result in one or more acquisitions, or that any acquisitions, if completed, will result in the synergies expected or positively affect the Company's business.

Lifted Innovations Inc.

Management Discussion & Analysis

Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018
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Potential Expansion into Cannabis-based Products

While the Company is currently only offering CBD, cannabis-related accessories and ancillary products through its e-commerce portals and platforms, Lifted is exploring expansion of its business to enable the facilitation of, or access to, cannabis derived products. The Company's connected platforms are well-positioned to add these products. The Company is in early discussions with partners in the US regarding the possibility to accelerate its platform launch by leveraging existing technologies that are necessary to deploy its cannabis delivery service over the Company's E-Commerce Sites, or on other online platforms created and controlled by the Company, to the extent the facilitation of such sales is permitted by all applicable state laws. Management expects that this expansion of the business would extend its customer base and would offer the opportunity to increase revenues and capture a portion of the growing legal and recreational cannabis markets in the U.S. The focus of such an expansion would be on recreational-based states like California, Nevada, and Colorado. Any expansion of the business to include the distribution and/or sale of cannabis-based products will only occur when market conditions and applicable state regulatory requirements permit (based on the regulatory and legal environments in the United States), and no assurance can be given that the Company will expand its business into the market of products that incorporate products derived from either cannabis and/or THC or, if so expanded, that it will enjoy the benefits anticipated by management resulting therefrom.

The goal of the Company is to build a robust online marketplace around CBD, cannabis-related accessories and ancillary products and, potentially in the future, cannabis-based products, that will allow for various brands, companies, drop-shippers, and partners to plug into the Company's e-commerce platforms and offer their products. The Company would carry no inventory, but would allow other companies to sell their products through the platforms provided by the Company, to the extent permitted by all applicable state laws. It is anticipated that this would allow the Company to avoid the licensing requirements that licensed producers and retailers of cannabis face for growing and distributing cannabis-based products. Lifted would strictly be a technology company offering e-commerce platforms to other companies to reach a wider customer base and generate revenues. No assurance can be provided that the Company will successfully be able to avoid onerous licensing requirements or that it will successfully be able to meet or maintain any licensing requirements that are imposed by applicable law.

Corporate developments and outlook

On May 18, 2020, the Company entered into a binding letter agreement with Kootenay Zinc Corp. ("Kootenay"), Cannodora Delivery Limited ("Cannodora") and Greeny Collaboration Group (Canada) Inc. ("Greeny") to effect a proposed business combination, which would result in a reverse takeover and change of business of Kootenay, with the resulting issuer continuing as a combination of the businesses of the Company, Cannodora and Greeny. On May 19, 2020, Kootenay issued a press release announcing the binding letter agreement, and in accordance with Canadian Securities Exchange policies, Kootenay common shares were halt traded.

On June 15, 2020, the Company issued a convertible promissory note (the "Note") to a third party vendor in a principal amount of \$268,900 Canadian Dollars in lieu of fee payable for certain consulting services provided by the vendor to the Company in the past. The Note is non-interest bearing, convertible any time prior to the maturity date and will mature in 18 months from the effective date, unless such maturity date is otherwise shortened due to the occurrence of an Accelerated Maturity Event, which is defined as the completion of an offering by the Company of common shares with gross proceeds of at least \$2 million, provided that the Company is at the time of such offering a reporting issuer in at least one province in Canada and such common shares are listing for trading on a recognized stock exchange in Canada. The Note is convertible at a conversion price equals to the fair market value per common share determined by (i) agreement between the vendor and the Company if the Company's shares are not listed on a recognized stock exchange; or (ii) the 20 trading day volume weighted average price of the common share of the Company if the Company is listed and trading on a recognized stock exchange.

On June 18, 2020, the Company issued a total of 130,479 common shares at a price of \$1.15 Canadian Dollars to a third party vendor and a company controlled by a director of the Company, in lieu of fee payables totaling \$150,050 Canadian Dollars for certain marketing and consulting services provided by the parties to the Company.

COVID-19 outbreak

Since year ended October 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company's products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

Selected financial information

The following table sets out selected unaudited interim financial information and audited annual financial information for the periods stated. The information is presented on the same basis as the unaudited consolidated interim financial statements of the Company for the six months ended April 30, 2020, the audited consolidated financial statements for the year ended October 31, 2019 and the period from incorporation on February 27, 2018 to October 31, 2018, and should be read in conjunction with the unaudited consolidated interim financial statements and the audited consolidated financial statements and the accompanying notes.

Lifted Innovations Inc.

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(in US Dollars)

	For the six months ended April 30, 2020 \$	For the six months ended April 30, 2019 \$	For the year ended October 31, 2019 \$	For the period from incorporation on February 27, 2018 to October 31, 2018 \$
Revenue	854,905	531,535	1,119,595	722,649
Gross Profit	162,724	98,749	263,180	168,024
Net Loss	(391,779)	(1,658,881)	(2,793,739)	(745,841)
Net Loss per share, basic & diluted	(0.01)	(0.03)	(0.05)	(0.01)
Weighted average number of outstanding common shares, basic & diluted	61,300,000	61,300,000	61,300,000	55,502,033
		April 30, 2020 \$	October 31, 2019 \$	October 31, 2018 \$
Total Assets		445,820	627,162	2,902,747
Total Liabilities		1,094,688	922,286	561,823
Working capital		(894,760)	(558,041)	2,045,393

Results and discussion of operations

As discussed above, the Company operates under a “dropship” business model, whereby the Company does not own, manage or hold any physical inventory. Rather, its e-commerce platforms facilitate the sale and processing of products, but all warehousing and product inventory and delivery is processed through its partners. Dropshipping enables the Company’s business to operate with very little overhead, thus maximizing margins and, ultimately, net revenue. The Company’s partners also benefit as it offers them a much larger pool of customers than they already serve.

During the periods under review, the Company focused on continuing to drive revenue growth through its US based e-commerce platforms. Going forward, the Company continues to focus on driving customers to its various e-commerce sites through all marketing channels.

Revenue

For the six months ended April 30, 2020, compared to the six months ended April 30, 2019

During the six months ended April 30, 2020, the Company generated total revenue of \$854,905 (2019 - \$531,535). The increase was attributable to the continuous effort by the Company to drive traffic to its various e-commerce sites through effective marketing tools and channels and the ability to increase the average order size in terms of total value when compared to prior period.

For the year ended October 31, 2019, compared to the period ended October 31, 2018

During the year ended October 31, 2019, the Company generated total revenue of \$1,119,595 (2018 - \$722,649). The significant increase in revenue was mainly attributable to the following factors: (i) effective marketing strategies to improve site traffic; (ii) a wide offering of unique and high quality products that are generally not as easily accessible for online purchases; and (iii) rolling out of various special offers and promotions to boost sales during holiday seasons and special occasions.

As previously noted, the majority of revenues were generated in the United States, which is Lifted’s market focus. Over the periods, sales to the United States as a percentage of total sales continued to increase. During the six months ended April 30, 2020, 99% of the total sales were generated from the United States (2019 – 97%). The Company expects this concentration of sales in the United States to continue in the future as Lifted expands its market presence in the United States. All of the Company’s revenues at the current time are generated through a drop shipping business model, and it does not receive commissions from third parties for the distribution of the products that are sold on its e-commerce platforms.

Revenue by country

	For the six months ended April 30, 2020 \$	For the six months ended April 30, 2019 \$	For the year ended October 31, 2019 \$	For the period from incorporation on February 27, 2018 to October 31, 2018 \$
United States	850,767	517,963	1,103,179	644,368
Other	4,138	13,572	16,416	78,281
Total	854,905	531,535	1,119,595	722,649

Gross Profit and Cost of Sales

Lifted Innovations Inc.

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(in US Dollars)

Cost of sales includes all expenditures to purchase the product and ship products to warehouse locations. This includes the purchase price less import duties, shipment fees to warehouses, storage, handling, and insurance.

For the six months ended April 30, 2020, compared to the six months ended April 30, 2019

The Company's cost of sales for the six months ended April 30, 2020 was \$681,184 (2019 – \$432,786), which resulted in a gross margin of \$173,721 (2019 – \$98,749). The gross margin percentage was 20.32% (2019 – 18.58%). The gross margin percentage slight increase in current period as more special offers and promotions were offered to customers in last period compared to current period.

For the year ended October 31, 2019, compared to the period ended October 31, 2018

The Company's cost of sales for the year ended October 31, 2019 was \$856,415 (2018 – \$554,625), which resulted in a gross margin of \$263,180 (2018 – \$168,024). The gross margin percentage was 23.51% (2018 – 23.25%). The gross margin percentage remained consistent for both years.

	For the six months ended April 30, 2020 \$	For the six months ended April 30, 2019 \$	For the year ended October 31, 2019 \$	For the period from incorporation on February 27, 2018 to October 31, 2018 \$
Revenue	854,905	531,535	1,119,595	722,649
Cost of Sales	(692,181)	(432,786)	(856,415)	(554,625)
Gross Margin	162,724	98,749	263,180	168,024
Gross Margin %	19.03%	18.58%	23.51%	23.25%

Operating Expenses

The table below sets forth operating expenses for the periods presented:

	For the six months ended April 30, 2020 \$	For the six months ended April 30, 2019 \$	For the year ended October 31, 2019 \$	For the period from incorporation on February 27, 2018 to October 31, 2018 \$
Selling expenses	180,345	382,258	746,020	150,640
Administrative expenses	316,154	1,216,133	2,051,495	423,166
Stock-based compensation	38,035	91,818	157,691	261,802
Amortization	17,025	18,458	37,474	22,374
Foreign exchange loss	(604)	46,155	35,585	72,259
Total	550,955	1,754,822	3,028,264	930,241

For the six months ended April 30, 2020, compared to the six months ended April 30, 2019

Selling expenses consisted of merchant account system fees and shipping costs, as well as marketing costs. Decrease in selling expenses in current period was mainly due to decrease in spending on marketing. However, despite the fact that marketing budget was reduced in current period, revenue continued to improve from last period as the Company was able to spend each marketing dollar more efficiently.

Administration expenses consisted of staff salaries, management compensation, as well as legal, professional, and bank fees. The Company incurred a total of \$316,154 administration expenses in current period (2019 – \$1,216,133). The significant decrease in current period was mainly due to significant amount of legal fee incurred in last period in connection to a proposed go public transaction by the Company in early 2019, which included the preparation of the prospectus and for general corporate purposes. No legal fees of similar nature were incurred in current period.

Stock-based compensation consisted of stock option grants to the Directors and Officers of the Company, as well as key advisors. Decrease in stock-based compensation recognized in current period was mainly attributable to smaller amount of options being vested in current period compared to last period.

For the year ended October 31, 2019, compared to the period ended October 31, 2018

Selling expenses increased significantly in current year when compared to the period from incorporation on February 27, 2018 to October 31, 2019 mainly due to increase spending on marketing and market research to further expand the Company's customer base by targeting specific markets and demographics.

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Administration expenses also significantly increased in current year due to significant amount of legal fee incurred in the current year in connection to a proposed go public transaction by the Company in early 2019, which included the preparation of the prospectus and for general corporate purposes.

Stock-based compensation consisted of stock option grants to the Directors and Officers of the Company, as well as key advisors. Decrease in stock-based compensation recognized in current year was mainly attributable to smaller amount of options being vested in current year compared to the period from incorporation on February 27, 2018 to October 31, 2018.

Liquidity and Capital resources

As at April 30, 2020, the Company had cash of \$87,665. and a working capital deficiency of \$894,760 which consisted of current assets less current liabilities. The Company expects to utilize cash flow from operations and equity investment to support development and continued operations and to meet liabilities and commitments as they come due.

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to provide adequate returns for shareholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets.

The Company's capital is primarily composed of shareholders' equity. The capitalization of the Company is shown below:

Capitalization	Number of Shares	Gross Proceeds
Opening Balance, February 27, 2018	-	-
Issued during the period ended October 31, 2018	26,300,000	\$2,557,528
Issued due to ESC business acquisition	35,000,000	267,435
Balance, October 31, 2018, 2019 and April 30, 2020	61,300,000	\$2,824,963

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is appropriate. As at April 30, 2020, the Company is not subject to any externally imposed capital requirements.

Management believes that current available funds, as well as the option to raise funds through the issuance of shares, will allow the Company to satisfy its requirements for investment, working capital management and the repayment of borrowings when they fall due.

Subsequent to year ended April 30, 2020, on June 18, 2020, the Company issued a total of 130,479 common shares at a price of \$1.15 Canadian Dollars to a third party vendor and a company controlled by a director of the Company, in lieu of fee payables totaling \$150,050 Canadian Dollars for certain marketing and consulting services provided by the parties to the Company. Pursuant to this issuance, as at the date of this MD&A, the Company has a total number of outstanding common shares of 61,430,479.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

Key management includes the Company's directors, senior officers and any employees with authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly.

Compensation, Key Executives

	For the six months ended April 30, 2020 \$	For the six months ended April 30, 2019 \$	For the year ended October 31, 2019 \$	For the period from incorporation on February 27, 2018 to October 31, 2018 \$
Short-term compensation	-	85,453	107,071	82,399
Share-based compensation	20,222	61,384	63,955	177,601
Total	20,222	146,837	171,026	260,000

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Financial Instruments

Please refer to disclosure on Note 11 – Financial Instruments on the consolidated Financial Statements for the six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018 for discussion and disclosure on Financial Instruments.

Accounting policies adopted during the period

Beginning on November 1, 2019, the Company adopted certain standards and amendments. The nature and the effect of these changes are disclosed below:

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 which replaces IAS 17 Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company does not have any leases that would be applicable to this standard and the implementation of these amendments did not have a significant impact on the consolidated financial statements.

Conceptual Framework

On March 29, 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. This amendment is effective on January 1, 2020. The Company adopted this amendment in its consolidated financial statements beginning November 1, 2019 and the adoption did not have a material impact on the consolidated financial statements.

Definition of a Business

On October 22, 2018, the IASB issued a narrow scope amendment to IFRS 3. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. This amendment is effective on January 1, 2020 and is to be applied prospectively. The Company adopted the amendment to IFRS 3 in its consolidated financial statements beginning November 1, 2019 and the adoption of the amendment to IFRS 3 did not have a material impact on the consolidated financial statements.

Disclosure for Issuers with Exposure to the U.S. Marijuana Industry

While the Company does not currently distribute or sell cannabis-based products, the Company may, in the future, expand its business to include the distribution and sale of cannabis-based products in the United States. Accordingly, the Company may be considered to be in the process of developing “marijuana-related activities” in the United States, as defined in CSA Staff Notice 51-352 (Revised) – *Issuers with US Marijuana-Related Activities* (the “CSA Staff Notice”).

In the United States, medical cannabis is currently legal in thirty-four states, Washington D.C. and the territories of Guam and Puerto Rico. Recreational, adult-use cannabis is legal in eleven states and Washington D.C. Coming in 2020 policy makers in eight states expressed support for regulated medical or adult-use cannabis sales, and advocacy groups in nine states had efforts underway to include legalization on ballots in November. At the federal level, however, cannabis currently remains a Schedule I drug under the CSA. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use, or distribution of cannabis, remain illegal under United States federal law.

In accordance with the CSA Staff Notice, the Company will evaluate, monitor and reassess its disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

Substantially all of the Company's revenues are derived from sales of cannabis-related accessories and ancillary products to customers in the United States. The Company is advised by legal counsel regarding compliance with the regulatory frameworks of the U.S. states in which the Company conducts such sales and potential exposure and implications arising from U.S. federal law as it relates to the Company's business activities. The Company is not aware of any non-compliance in respect of its business activities as they relate to applicable licensing requirements and regulatory frameworks enacted by the U.S. states in which the Company sells its products.

See “Regulatory Overview” and “Risk Factors” in the Circular.

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Risks and Uncertainties

As noted above, the purpose of forward-looking information is to provide the reader with a description of management's expectations of the future, and such forward looking information may not be appropriate for any other purpose. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including the following:

- The Company is a development stage company with little operating history, a history of losses and the Company cannot assure profitability
- Negative cash flow from operations
- Uncertainty about the Company's ability to continue as a going concern
- The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management
- There is no assurance that the Company will turn a profit or generate immediate revenues
- There are factors which may prevent the Company from the realization of growth targets
- The Company is operating at a regulatory frontier. The cannabis industry is a new industry that may not succeed and is susceptible to constant changes in laws, regulations and guidelines and non-compliance with federal, provincial or state laws and regulations, or the expansion of current or enactment of new laws and regulations, could adversely affect the Company's business
- The Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition
- Unfavorable publicity or consumer perception as a result of future medical research may lead to a material adverse effect on the business of the Company
- Results of future clinical research
- The Company may experience difficulties in promoting and maintaining brands it sells
- If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the industry in which it operates
- The Company may be subject to product recalls for product defects self-imposed or imposed by regulators
- No guarantee the Company will receive product approvals
- The Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition
- The anticipated benefit of any future acquisitions or dispositions may not materialize as anticipated by the Company
- The Company's growing industry is experiencing intensified competition
- The Company will be reliant on information technology systems and may be subject to damaging cyber-attacks
- The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest
- In certain circumstances, the Company's reputation could be damaged
- The size of the Company's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data
- The Company's expansion efforts, including any expansion into distributing and/or selling products containing cannabis, may not be successful
- The Company is exposed to transportation risks and if, in the future, the Company expands its business into distribution and/or sale of cannabis products, those risks could be heightened
- Cannabis continues to be a Controlled Substance at the federal level under the Controlled Substances Act
- There is uncertainty surrounding the Trump Administration and the office of the Attorney General and their influence and policies standing in opposition to the cannabis industry as a whole
- Canadian investors in the Company's securities and the Company's directors and officers who are not US citizens may be subject to travel and entry bans into the United States
- Federal and state forfeiture laws
- The Company's operations in the United States ancillary cannabis market may become the subject of heightened scrutiny

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- Banks and other financial institutions which service the cannabis industry are at risk of violating certain financial laws, including anti-money laundering statutes and may cease to deal with, suspend or shut down the Company's accounts
- Re-classification of cannabis in the United States
- U.S. federal trademark protection may not be available for the intellectual property of the Company due to the current classification of cannabis as a Schedule I controlled substance
- The Company's contracts may not be legally enforceable in the U.S.
- The Company may be unable to adequately protect its proprietary and intellectual property rights, particularly in the U.S.
- The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights
- Some of the Company's planned business activities, while believed to be compliant with applicable U.S. state and local law, are illegal under federal law
- There is uncertainty of existing protection from federal prosecution
- The Company may have difficulty accessing the service of banks, processing credit card payments in the future, and difficulty accessing the service of third parties generally, which may make it difficult for the Company to operate and which may result in the suspension of accounts and services provided to the Company
- The Company may incur significant tax liabilities if the IRS continues to determine that certain expenses of cannabis businesses are not permitted tax deductions under section 280E of the Tax Code
- Lack of access to United States Bankruptcy Protections
- The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses and claims against the Company
- The Company may sell additional Common Shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders
- The Company cannot assure that a market will continue to develop or exist for its Common Shares or what the market price of our Common Shares will be
- The Company will be subject to additional regulatory burden resulting from its public listing on the CSE and status as a reporting issuer in Canada
- Volatility in the market price of the Common Shares
- Price volatility of publicly-traded securities
- The Company does not anticipate paying cash dividends
- Future sales of Common Shares by existing shareholders could reduce the market price of the Common Shares
- No guarantee on the use of available funds by the Company

A full discussion of the above risk factors may be found under the heading "Risk Factors" in the Circular.

APPENDIX E

INFORMATION CONCERNING THE RESULTING ISSUER

The following section of this Circular contains forward-looking information. Readers are cautioned that actual results may vary. See “*Cautionary Notice Regarding Forward-Looking Statements*”. All capitalized terms used in this Appendix E and not defined herein have the meaning ascribed to such terms in the Glossary of Terms or elsewhere in this Circular.

OVERVIEW AND DESCRIPTION OF BUSINESS

The Resulting Issuer is expected to be a multi-brand management company providing services & related products to the cannabis industry that believes its strong focus on and investment in marketing, brand, education to help customers make sound purchasing decision, strategic brand partnerships, and a delivery software technology with the potential to generate a significant and sustained return on invested capital over the long-term.

Following completion of the Transaction, the principal business of the Resulting Issuer (and its subsidiaries) will be the business of each of Lifted, Canndora and Greeny, See Appendix B – Information Concerning Canndora; Appendix C – Information Concerning Greeny; Appendix D – Information Concerning Lifted.

Business Objectives and Milestones

The Resulting Issuer expects to accomplish the following business objectives over the 12-month period following completion of the Transaction, directly or indirectly through its subsidiaries on a consolidated basis. It is expected that growth strategies will be applied across each business segment concurrently to maximize economics. The following list is not a complete list of milestones and business objectives and is subject to change.

Milestone	Timeframe	Approximate Cost
Expand marketing and brand strategy on all business lines	Within six months	Less than \$50,000
Enter into direct agreements with brands (manufacturers and suppliers) carried on the Resulting Issuer's platform	Within six months	Less than \$50,000
Enhance e-commerce and app interface, deployment and increase usage of such platforms	Within six months	Less than \$50,000
Expanding client base, breadth of product offerings and affiliations with existing brick and mortar stores through marketing partnerships	Ongoing over the next 12 months	Less than \$50,000

Other than as described, directly or indirectly, in this Circular, there are no other significant events or milestones that must occur for the Resulting Issuer's business objectives to be accomplished. However, there is no guarantee that the Resulting Issuer will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. The Resulting Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above. In the event of an increase in the funds available to the Resulting Issuer, any or all of the dates set out above may be accelerated in the discretion of the Resulting Issuer.

Total Funds Available

The following table sets out the expected available funds of the Resulting Issuer on a consolidated basis:

Source of Funds	Available Funds
Available working capital	\$(258,939) ⁽¹⁾ ⁽²⁾
Proceeds from Promissory Notes	\$617,481
Gross Proceeds from the Concurrent Financing	\$1,500,000 ⁽³⁾
Total Funds Available	\$1,241,957

Notes:

- (1) As of June 30, 2020, the most recent month end prior to filing this Circular. The working capital of the Resulting Issuer will be the aggregate of the working capital of Kootenay, Greeny, Canndora and Lifted, which was, \$76,809, (\$8,365), \$238,312 and (\$565,695), respectively. The available working capital set forth above does not include the expected proceeds of the Concurrent Financing.
- (2) Does not include costs associated with the Transaction. The costs associated with the Transaction and the listing are expected to be approximately \$216,660 in the aggregate.
- (3) Assuming the Maximum Financing Amount under the Concurrent Financing.

Principal Uses of Funds

The funds available will be used for the purposes listed below on a consolidated basis. Expenses are expected to be treated on a consolidated basis, with allocation to the Resulting Issuer and its subsidiaries on a basis to be determined by management of the Resulting Issuer:

Source of Funds	Available Funds
Professional fees ⁽¹⁾	\$104,300 ⁽²⁾
Wages, employee benefits, and consulting fees ⁽³⁾	\$649,733
Marketing ⁽³⁾	\$28,380
IT Expenses and Product Development	\$31,896
General and administrative expenses ⁽⁴⁾	\$214,648
Total	\$1,029,857

Notes:

- (1) Does not include costs associated with the Transaction.
- (2) Includes \$33,800 for professional legal fees and \$70,500 for accounting and audit fees.
- (3) Includes operational support which will continue to be provided by Leone Americana LLC, a company owned by Marc Mulvaney, a director and officer of the company, under a consulting agreement at a monthly fee of \$15,000.
- (4) Includes the following expenses: Insurance: \$162,817; transfer agent fees: \$10,000; travel: \$4,830; banking fees: \$3,740; administrative costs: \$3,795; transfer agent fees: \$4,830.

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. In the event of an increase in the funds available to the Resulting Issuer, those amounts allocated above may be increase in the discretion of the Resulting Issuer. The actual amount that the Resulting Issuer spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the foregoing and those referred to under "Risk Factors" below. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

Ability to Access Public and Private Capital

The Resulting Issuer has historically, and management of the Resulting Issuer believes it will continue to have, adequate access to equity from prospectus exempt (private placement) markets in Canada. It plans to (i) continue to access equity financing through private markets, and (ii) access equity financing through public markets in Canada, if listed on the CSE or another stock exchange. Further, the Resulting Issuer's executive team and board also have extensive relationships with sources of private capital (such as high net worth individuals), that could be investigated at a higher cost of capital. Current proceeds from the Resulting Issuer's financings will be used to finance the continued growth of the Resulting Issuer's business. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed wholly or partially with debt, which may increase the Resulting Issuer's debt levels above industry standards, or through the issuance of shares which will be dilutive to the current shareholders. Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high net worth individuals and family offices that have made meaningful investments in companies and projects similar to the Resulting Issuer's projects. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See section entitled "Risk Factors".

Employees

Upon completion of the Transactions, the Resulting Issuer will have no full-time or part-time and approximately seven (7) consultants providing services on an independent contractor basis.

Competitive Conditions and Position

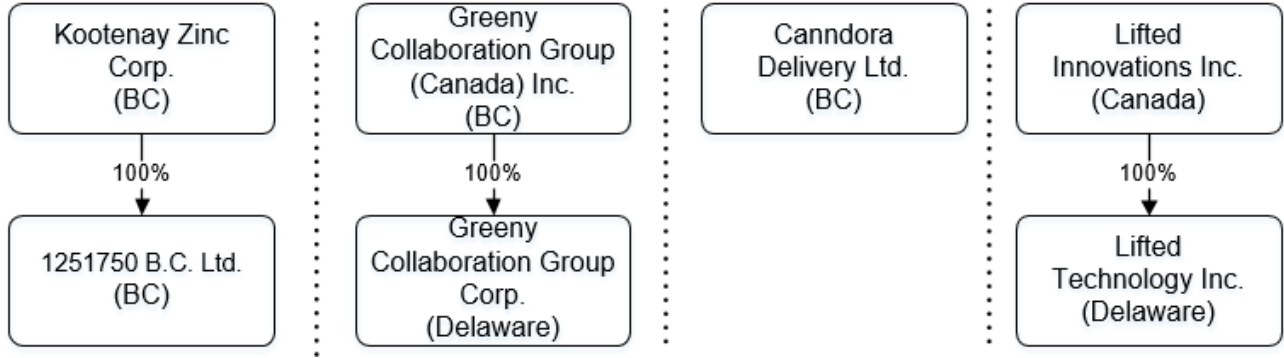
The cannabis industry is competitive in all of its phases. The Resulting Issuer will face competition from other companies who are already operating in the industry. Many of these companies may have greater financial resources, operational experience and technical capabilities than the Resulting Issuer. The Resulting Issuer may be unable to maintain its operations or develop them as currently proposed as contemplated or at all. Consequently, the future revenues, future operations and financial condition of the Resulting Issuer could be materially adversely affected. The Resulting Issuer may also face additional

competition from new entrants into the cannabis industry. If the number of users of cannabis in Canada or internationally increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to do this on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer. See “*Risk Factors*”.

ORGANIZATIONAL CHART

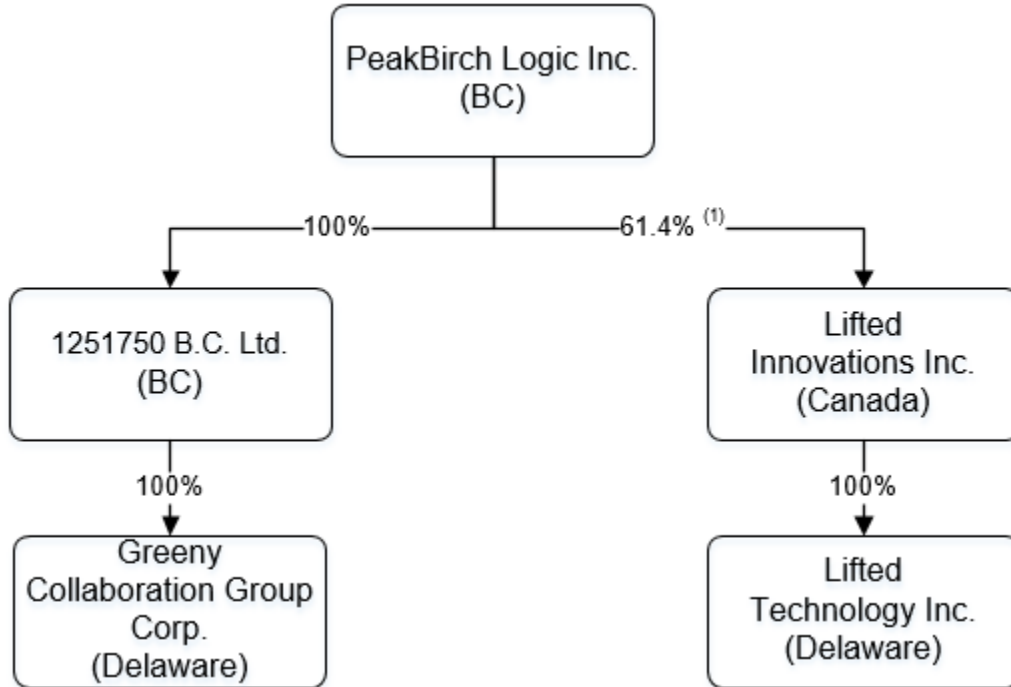
Corporate structure prior to giving effect to the Transactions and Name Change

The following organizational chart shows the intercorporate relationship between the entities prior to giving effect to the Transactions and the Name Change:



Corporate structure after giving effect to the Transactions and Name Change

The following organisational chart shows the intercorporate relationship between the entities following the Closing of the Transaction and the giving effect to the Name Change:



Notes:

(1) The Resulting Issuer’s interest in Lifted is for illustrative purposes only and only assumes those Lifted Common Shares that are subject to the Lifted Lock-Up Agreements. It is intended that the Resulting Issuer’s interest in Lifted will increase in an amount that will depend on the number of Lifted Common Shares tendered under the Lifted Takeover Bid. For more details on the Lifted Takeover Bid, see “*The Transactions – Summary of the Transactions*” and “*The Lifted Support Agreement*” elsewhere in this Circular.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table summarizes the Resulting Issuer's pro forma common shares, on a consolidated basis, after giving effect to the Transactions as described in the pro forma financial statements of the Resulting Issuer, a copy of which is attached at Schedule A of this Appendix E.

The following table summarizes the expected consolidated capitalization of the Resulting Issuer, assuming the Consolidation and that the Transaction completes in full and that the Maximum Financing Amount is obtained:

Designation of Security	Authorized	Expected Outstanding Following the Completion of the Transactions
Resulting Issuer Shares	Unlimited	67,220,091 ⁽¹⁾
Resulting Issuer Options	- ⁽²⁾	4,410,244 ⁽³⁾
Resulting Issuer Warrants	N/A	1,951,332 ⁽⁴⁾
Convertible Debt	N/A	1,590,737 ⁽⁵⁾

Notes:

- (1) After giving effect to the Consolidation and the Transactions, including the Amalgamations and the Lifted Take-over Bid. Assumes that only approximately 61% of the Lifted Common Shares (37,620,809 Lifted Common Shares) for which lockup agreements have been received are taken up under the Lifted Take-over Bid.
- (2) The Resulting Issuer will have a 10% rolling plan, the same plan as Kootenay. It is expected that the authorized amount of Resulting Issuer Options reflects 10% of the issued and outstanding Resulting Issuer Shares at the Closing of the Transactions. The authorized amount of Resulting Issuer Options will be subject to change as the number of issued and outstanding Resulting Issuer Shares varies. See a description of the Kootenay Stock Option Plan set forth above under the heading "*Statement of Executive Compensation – Description of Stock Option Plan*".
- (3) Assumes that all of the Lifted Options are taken up under the Lifted Take-over Bid. Includes 660,244 Resulting Issuer Options granted to former holders of Greeny Options and 3,750,000 Resulting Issuer Options granted to former holders of Lifted Options.
- (4) Assumes gross proceeds of \$1,500,000 under the Concurrent Financing. Includes 568,723 Resulting Issuer Warrants issued to former holders of Greeny Warrants, 1,304,348 Resulting Issuer Warrants issued to subscribers under the Financing, and 78,261 Resulting Issuer Warrants issued to certain finders under the Concurrent Financing.
- (5) Pursuant to the Greeny Convertible Debt Transactions, holders of the Greeny Convertible Debt Instruments may convert their debt in Greeny, at the option of the holder, in exchange for the issuance of up to an aggregate maximum of 563,385 Resulting Issuer Shares at a conversion price of approximately \$1.15 per Resulting Issuer Share. Pursuant to the Lifted Convertible Debt, holders of certain Lifted Convertible Debt may convert their debt in Lifted, at the option of the holder, in exchange for the issuance of up to an aggregate maximum number of Resulting Issuer Shares equal to \$556,454 multiplied by the market price of the Resulting Issuer Shares at the time of conversion, such number of Resulting Issuer Shares being, assuming a market price of \$1.15 per Resulting Issuer Share, 483,874 Resulting Issuer Shares. Pursuant to the Lifted Convertible Debt, a holder of certain other Lifted Convertible Debt may convert their debt in Lifted, at the option of the holder, in exchange for the issuance of up to an aggregate maximum number of Resulting Issuer Shares equal to \$500,000 multiplied by the market price of the Resulting Issuer Shares at the time of conversion less a discount of 20%, such number of Resulting Issuer Shares being, assuming a market price of \$1.15 per Resulting Issuer Share, 543,478 Resulting Issuer Shares.

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of the Resulting Issuer following the completion of the Transactions will be the same as Kootenay: an unlimited number of common shares without par value.

STOCK EXCHANGE LISTING

The Kootenay Common Shares currently trade on the CSE under the symbol "ZNK", on the OTCQB under the symbol "KTNNF" and Frankfurt Stock Exchange under the symbol "KYH1". It is a condition of closing

that Kootenay will have obtained approval from the CSE for the listing of the Resulting Issuer Shares subject only to the customary listing conditions of the CSE and approval from the CSE for the Transactions. Following Closing of the Transaction, the Resulting Issuer expects to change its symbol to "PKB"

ESCROWED SECURITIES

Certain principals and Related Persons of the Resulting Issuer will generally be required, in transactions similar to the Transaction, to deposit securities owned or controlled by them ("**Escrowed Securities**") into escrow in accordance with NP 46-201, subject to certain exceptions. Such individuals are also required to enter into an escrow agreement pursuant to NP 46-201 (the "**Escrow Agreement**") that govern the treatment of such securities while in escrow and their respective release from escrow.

Persons Subject to Escrow

Policy 2 of the CSE requires certain Related Persons of the Resulting Issuer that have, within the six months prior to applying to list on the CSE, completed a 'fundamental change' transaction to deposit their respective securities into escrow. The Transaction will constitute a fundamental change of Kootenay and, as such all Related Persons, subject to certain conditions, will be required to deposit their securities into escrow. Related Persons include the following individuals:

1. a Related Entity of the Resulting Issuer;
2. a partner, director or officer of the Resulting Issuer or Related Entity;
3. a promoter of or person who performs Investor Relations Activities for the Resulting Issuer or Related Entity;
4. any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Resulting Issuer or Related Entity; and
5. such other person as may be designated from time to time by the Exchange.

For those Related Persons whose Escrowed Securities are subject to escrow, all Resulting Issuer Shares and convertible securities of the Resulting Issuer held by such persons will be subject to escrow other than certain non-transferable incentive stock options issued to principals to purchase securities solely for cash at a price equal to or greater than the share price at Closing of the Transaction. Any Resulting Issuer Shares or convertible securities acquired by the Related Person while the Resulting Issuer Shares and convertible securities are held in escrow will also be subject to escrow upon acquisition or conversion, as applicable.

Set forth below are the Related Persons of the Resulting Issuer and the details of their respective Escrowed Securities that are expected to be held pursuant to the Escrow Agreement upon Closing of the Transactions:

Resulting Issuer Shareholder	Number of Securities ⁽¹⁾	Percentage of Class
Sean Duncombe	400,000 Resulting Issuer Options ⁽²⁾	9.07% ⁽³⁾

Notes:

- (1) Assumes no Related Person acquires Units pursuant to the Concurrent Financing.

- (2) Assumes Mr. Duncombe tenders all Lifted Options held by him under the Offer.
 (3) Assumes all Lifted Options are taken-up under the Lifted Take-over Bid.

Marc Mulvaney is a holder of Lifted Convertible Debt in the amount of \$500,000. Pursuant to the Lifted Convertible Debt, Mr. Mulvaney may convert his debt in Lifted, at the option of Mr. Mulvaney, in exchange for the issuance of up to an aggregate maximum number of Resulting Issuer Shares equal to \$500,000 multiplied by the market price of the Resulting Issuer Shares at the time of conversion less a discount of 20%, such number of Resulting Issuer Shares being, assuming a market price of \$1.15 per Resulting Issuer Share, 543,478 Resulting Issuer Shares. Upon the conversion of such Lifted Convertible Debt, those Resulting Issuer Shares issued will be deposited into escrow and be subject to the Escrow Agreement, as described below.

Pursuant to the terms of the Escrow Agreement, all Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

1. transfers to continuing or, upon their appointment, incoming directors and senior officers of the Resulting Issuer or of a material operating subsidiary, with approval of the Board of Directors;
2. transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;
3. transfers upon bankruptcy to the trustee in bankruptcy;
4. pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and
5. tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

Release from Escrow

Pursuant to the Escrow Agreement, it is anticipated that the following automatic timed releases will apply to the securities held by the Related Persons of the Resulting Issuer:

Release Dates	Securities to be Released
The Listing Date	1/10 of the escrow securities
6 months after the completion date of the Transaction	1/6 of the remaining escrow securities
12 months after the completion date of the Transaction	1/5 of the remaining escrow securities
18 months after the completion date of the Transaction	1/4 of the remaining escrow securities
24 months after the completion date of the Transaction	1/3 of the remaining escrow securities
30 months after the completion date of the Transaction	1/2 of the remaining escrow securities

36 months after the completion date of the Transaction	The remaining escrow securities
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The Resulting Issuer is an “emerging issuer” as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Resulting Issuer achieves “established issuer” status during the term of the Escrow Agreement, it will “graduate” resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Resulting Issuer had originally been classified as an “established issuer”.

PRINCIPAL SHAREHOLDERS

As of the date of this Circular, there is no principal shareholder who owns more than 10% of the issued shares of Kootenay. Upon completion of the Transactions, it is expected that the no shareholder will, beneficially and of record, own more than 10% of the issued common shares of the Resulting Issuer.

GOVERNANCE AND MANAGEMENT OF THE RESULTING ISSUER

Board of Directors and Executive Officers

Following the completion of the Transactions, the board of directors and executive officers of the Resulting Issuer will initially be comprised of the following five (5) persons: Marc Mulvaney (director and Chief Executive Officer of the Resulting Issuer), Usama Chaudhry (director and Chief Financial Officer of the Resulting Issuer), Ricardo De Barros (director of the Resulting Issuer), Kang Yau (director of the Resulting Issuer) and Sean Duncombe (Chief Operating Officer of the Resulting Issuer).

The directors of the Resulting Issuer will hold office until the next annual general meeting of Shareholders of the Resulting issuer or until their respective successors have been duly elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Resulting Issuer or within the provision of the BCBCA.

The following table sets forth certain information regarding the individuals who will serve as directors and executive officers of the Resulting Issuer, including their place of residence, age, status as independent or non-independent, each director’s principal occupation, business or employment for the past five years and the number of Resulting Issuer Shares that will be beneficially owned by each director, directly or indirectly, or over which each director will exercise control or direction, following the completion of the Transactions.

Name, Position and Residency	Principal occupation or Employment During the Past 5 years	Date of appointment as director or officer	Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon completion of the Transactions ⁽²⁾
Marc Mulvaney ⁽³⁾ <i>Las Vegas, Nevada, USA</i> Chief Executive Officer and a Director	Executive Consultant of Lifted Innovations Inc.; Director of Leone Americana LLC; Chief Marketing Officer of Namaste Technologies Inc.	Concurrent with Closing	- ⁽⁶⁾ 0%
Usama Chaudhry	CPA	Director: June 17, 2019 Officer: Concurrently with Closing	- 0%

Name, Position and Residency	Principal occupation or Employment During the Past 5 years	Date of appointment as director or officer	Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon completion of the Transactions ⁽²⁾
<i>Surrey, British Columbia</i> Director and proposed Chief Financial Officer			
Ricardo De Barros ^{(3) (5)} <i>Montreal, Quebec</i> Director	Partner at Investabec and Investacan; partner at De Barros Giammarella SA solicitors and title attorneys	Concurrently with Closing	- 0%
Kang Yau ^{(3) (5)} <i>London, United Kingdom</i> Director	Finance Director, LDD Construction Limited	Concurrently with Closing	- 0%
Sean Duncombe <i>Toronto, Ontario</i> Chief Operating Officer	Vice-President of Lifted Innovations Inc.	Concurrently with Closing	- 0%

Notes:

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Resulting Issuer and has been furnished by the respective individuals.
- (2) Following completion of the Transaction, and assumes no director or officer acquires Units pursuant to the Concurrent Financing.
- (3) Member of the Audit Committee.
- (4) Assuming a market price of \$1.15 per Resulting Issuer Share, Marc Mulvaney is entitled to a maximum of 543,478 Resulting Issuer Shares upon the conversion, at the option of Mr. Mulvaney, of Lifted Convertible Debt.
- (5) Independent directors within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- (6) Assumes Mr. Mulvaney does not convert his Lifted Convertible Debt at or prior to the Closing of the Transactions. See “*Persons Subject to Escrow*” set forth above.

Board of Directors Committees

The members of the Audit Committee of the Resulting Issuer are expected to be Marc Mulvaney, Ricardo de Barros and Kang Yau. Ricardo de Barros and Kang Yau are not expected to be executive officers of the Resulting Issuer and, therefore, will be independent members of the Audit Committee. All members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Resulting Issuer. A material relationship means a relationship which could, in the view of the Resulting Issuer Board, reasonably interfere with the exercise of a member’s independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer.

RISK FACTORS

The business of the Resulting Issuer will be the businesses of Canndora, Greeny and Lifted upon completion of the Transactions, and as such, investors should carefully read the Risk Factors set out in each of Appendix B – Information Concerning Canndora, Appendix C – Information Concerning Greeny, and Appendix D – Information Concerning Lifted.

While this Circular has described the risks and uncertainties that management of Kootenay and the Resulting Issuer believe to be material to the Resulting Issuer's business, it is possible that other risks and uncertainties affecting the Resulting Issuer's business will arise or become material in the future. If the Resulting Issuer is unable to address these and other potential risks and uncertainties following the completion of the Transactions, its business, financial condition or results of operations could be materially and adversely affected. In this event, the value of the Resulting Issuer Shares could decline and an investor could lose all or part of their investment.

PROMOTERS

There are no promoters of the Resulting Issuer.

AUDITORS OF THE RESULTING ISSUER

The current auditor of Kootenay is Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, located at 1500 - 1140 West Pender Street, Vancouver, British Columbia V6E 4G1, and will continue to be the auditors of the Resulting Issuer following the completion of the Transactions.

TRANSFER AGENT AND REGISTRAR

The Resulting Issuer's registrar and transfer agent will be Computershare Investor Services Inc., located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9, or such other registrar and transfer agent as the Resulting Issuer may in the future determine.

SCHEDULE A OF APPENDIX E

**PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER
AS AT APRIL 30, 2020**

[See Attached]

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)

Pro-Forma Financial Statements

April 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)
Pro-Forma Statement of Financial Position
(Expressed in Canadian Dollars) (Unaudited)

	<u>Canndora</u> April 30, 2020 (unaudited)	<u>Greeny</u> April 30, 2020 (unaudited)	<u>Lifted</u> April 30, 2020 (unaudited)	<u>Kootenay</u> February 29, 2020 (audited)	Note	Pro-Forma Adjustments	Pro-Forma (unaudited)
Assets							
Current assets:							
Cash	\$ 375,641	\$ 790	\$ 121,942	\$ 15,719	2(b) 2(c) 2(e)	\$ 1,410,000 95,000 634,500	\$ 2,653,592
Receivables	-	-	70,962	74,713			145,675
Prepaid expenses	-	43,480	85,196	4,100	2(e)	9,000	141,776
Total Current Assets:	375,641	44,270	278,100	94,532		2,148,500	2,941,043
Property and equipment	-	-	5,440	-			5,440
Intangible assets	1,000,000	255,740	336,596	-			1,592,336
Goodwill	-	-	-	-	2(a)	30,279,637	30,279,637
Total Assets:	\$ 1,375,641	\$ 300,010	\$ 620,136	\$ 94,532		\$ 32,428,137	\$ 34,818,456
Liabilities							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 111,000	\$ 217,756	\$ 1,522,711	\$ 172,664	2(c) 2(d) 2(e)	\$ (60,000) (374,275) (556,455)	\$ 1,033,401
Loans payable	650	-	-	-			650
FT premium liability	-	-	-	-	2(c)	12,500	12,500
Indemnification provision	-	-	-	160,135			160,135
Total Current Liabilities:	111,650	217,756	1,522,711	332,799		(978,230)	1,206,686
Convertible promissory notes	-	219,373	-	-	2(e)	1,253,328	1,472,701
Total Liabilities:	111,650	437,129	1,522,711	332,799		275,098	2,679,387
Equity							
Share capital	1,375,000	596,908	3,929,524	5,985,338	2(a) 2(b) 2(c) 2(d) 2(b) 2(e)	(8,069,746) 31,805,396 1,329,691 112,500 713,779 80,309 (44,105)	37,778,390
Contributed surplus	-	340,061	636,421	-			1,012,686
Accumulated other comprehensive loss	-	(9,236)	-	-		9,236	-
Deficit	(111,009)	(1,064,852)	(5,468,520)	(6,223,605)	2(a) 2(c) 2(d) 2(e)	7,399,235 348,665 30,000 (339,504) (29,769) (843,983)	(6,303,342)
Listing expense					2(a)		
Total Equity:	1,263,991	(137,119)	(902,575)	(238,267)		32,501,704	32,487,734
Non-Controlling Interest						(348,665)	(348,665)
Total Liabilities and Equity:	\$ 1,375,641	\$ 300,010	\$ 620,136	\$ 94,532		\$ 32,428,137	\$ 34,818,456

The accompanying notes are an integral part of this pro-forma statement of financial position.

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)
Pro-Forma Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars) (Unaudited)

	<u>Canndora</u> <i>For the period from February 29, 2020 to April 30, 2020 (unaudited)</i>	<u>Greeny</u> <i>Nine months ended April 30, 2020 (unaudited)</i>	<u>Lifted</u> <i>Six months ended April 30, 2020 (unaudited)</i>	<u>Kootenay</u> <i>Year ended February 29, 2020 (audited)</i>	Note	Pro-Forma Adjustments	Pro-Forma (unaudited)
Revenue	\$ -	\$ 12,316	\$ 1,189,173	\$ -			\$ 1,201,489
Cost of sales	-	-	962,824	-			962,824
	-	12,316	226,349	-			238,665
Expenses							
Amortization	-	33,792	23,682	-			57,474
Bank charges and interest	9	54,155	-	781			54,945
Consulting fees	60,000	460,380	-	115,113	2(d)	238,104	873,597
Insurance	-	-	-	7,726			7,726
Management fees	-	-	-	131,000	2(d)	71,400	202,400
Meals and entertainment	-	-	-	1,743			1,743
Office and administrative expenses	-	42,464	439,770	2,258			484,492
Professional fees	51,000	279,939	-	152,407	2(d)	30,000	513,346
Purchases	-	749	-	-			749
Rent	-	-	-	1,780			1,780
Selling	-	62,609	250,860	-			313,469
Stock-based compensation	-	64,135	52,907	-			117,042
Transfer agent and filing fees	-	-	-	19,664			19,664
Travel	-	21,509	-	282			21,791
Loss before other items	(111,009)	(1,007,416)	(540,870)	(432,754)		(339,504)	(2,431,553)
Other items							
Other income	-	-	2,722	-			2,722
Other expenses	-	-	(7,657)	-			(7,657)
Accretion expense	-	-	-	-	2(e)	(29,769)	(29,769)
Foreign exchange gain	-	-	840	3,412			4,252
Mineral property impairment	-	-	-	(212,500)			(212,500)
Gain on write-off of accounts payable	-	-	-	26,737			26,737
Gain on debt settlement	-	-	-	198,000	2(c)	30,000	228,000
Listing expense	-	-	-	-	2(a)	(843,983)	(843,983)
Net Loss	(111,009)	(1,007,416)	(544,965)	(417,105)		(1,183,256)	(3,263,751)
Other comprehensive loss							
Translation adjustment	-	(8,984)	-	-			(8,984)
Comprehensive Loss	(111,009)	(1,016,400)	(544,965)	(417,105)		(1,183,256)	(3,272,735)
Comprehensive Loss Attributable to:							
Common Shares	(111,009)	(1,016,400)	(334,445)	(417,105)		(1,183,256)	(3,062,215)
Non-Controlling Interest	-	-	(210,520)	-		-	(210,520)
	(111,009)	(1,016,400)	(544,965)	(417,105)		\$ (1,183,256)	(3,272,735)
Loss per Share – Basic and Diluted	\$ (0.38)	\$ (0.05)	\$ (0.01)	\$ (0.91)			\$ (0.05)
Weighted Average Number of Shares							
Outstanding – Basic and Diluted	290,323	19,266,547	61,300,000	457,632			67,280,962

The accompanying notes are an integral part of this pro-forma statement of loss and comprehensive loss.

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)
Notes to the Pro-Forma Financial Statements
(Expressed in Canadian Dollars)
(Unaudited)

1. BASIS OF PRESENTATION

These unaudited pro-forma financial statements of PeakBirch Logic Inc. (the "Company"), formerly Kootenay Zinc Corp. ("Kootenay"), have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). In the opinion of management, these unaudited pro-forma financial statements include all adjustments necessary for fair presentation.

These unaudited pro-forma financial statements should be read in conjunction with the financial information of Kootenay Zinc Corp. as of April 30, 2020 and the financial statements and notes thereto. These unaudited pro-forma financial statements are not intended to reflect the results of operations or the financial position of the continuing entity, PeakBirch Logic Inc., which would have resulted had the proposed transactions been effected on the dates indicated. Further, these unaudited pro-forma financial information is not necessarily indicative of the results of operations that may be obtained in the future.

These unaudited pro-forma financial statements have been prepared for inclusion in the Management Information Circular of the Company dated July 29, 2020, which contains the details of the business combination (the "**Transaction**") among the Company, Canndora Delivery Ltd. ("**Canndora**"), Greeny Collaboration Group (Canada) Inc. ("**Greeny**") and Lifted Innovations Inc. ("**Lifted**"). Under the Transaction, Canndora and Greeny will amalgamate with a wholly-owned subsidiary of the Company (the "**Amalgamations**") and the Company will acquire a majority position in Lifted by way of a takeover bid (the "**Lifted Takeover Bid**") for 100% of issued and outstanding shares ("**Lifted Shares**") and options ("**Lifted Options**") of Lifted. Pursuant to the Amalgamations, 18,260,870 common shares of the Company ("**Common Shares**") will be issued to the shareholders of Canndora ("**Canndora Shareholders**") in exchange for their shares in Canndora ("**Canndora Shares**"), and 8,745,373 Common Shares will be issued to the shareholders of Greeny ("**Greeny Shareholders**") in exchange for their shares of Greeny ("**Greeny Shares**"). Pursuant to the Lifted Takeover Bid, as of June 23, 2020, Kootenay entered into lock-up agreements with certain Lifted shareholders ("**Lifted Shareholders**") representing approximately 61% of the issued and outstanding Lifted Shares and who have agreed to tender their respective Lifted Shares under the Lifted Takeover Bid, and will result in the issuance of 37,620,809 Common Shares to such Lifted Shareholders, assuming no other Lifted Shareholders tender under the Lifted Takeover Bid. Concurrently with the closing of the Transaction, Kootenay will complete a 23-1 common share consolidation (the "**Consolidation**") to reduce the number of issued and outstanding common shares of Kootenay ("**Kootenay Shares**") from 14,964,324 pre-consolidated Kootenay Shares to 650,623 post-consolidated Kootenay Shares.

Following completion of the Transaction, the Company will continue the primary businesses of Canndora, Greeny and Lifted consisting primarily of operating e-commerce stores and providing services and related products to the cannabis industry. Concurrently with the closing of the Transaction, the Company will change its name to "PeakBirch Logic Inc."

The unaudited pro-forma financial statements of the Company have been compiled from:

- (a) the audited consolidated financial statements of Kootenay as at February 29, 2020 and for the year then ended;
- (b) the audited financial statements of Canndora as at April 30, 2020 and for the period from February 29, 2020 (date of incorporation) to April 30, 2020;
- (c) the unaudited consolidated financial statements of Greeny as at April 30, 2020 and for the nine months then ended;
- (d) the unaudited consolidated financial statements of Lifted as at April 30, 2020 and for the six months then ended; and
- (e) the additional information set out in note 2.

The unaudited pro-forma statement of financial position has been prepared as if the Transaction described in note 2 had occurred on April 30, 2020.

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)
Notes to the Pro-Forma Financial Statements
(Expressed in Canadian Dollars)
(Unaudited)

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS

The unaudited pro-forma financial statements have been presented giving effect to the following assumptions and pro-forma adjustments:

- a) On June 23, 2020, the Company entered into a business combination agreement with each of Canndora, Greeny and a support agreement with Lifted to effect the Transaction. Pursuant to the Transaction,
- The Company will complete the Consolidation. Prior to the Consolidation, the Company has 14,964,324 Kootenay Shares issued and outstanding. Following completion of the Consolidation, the Company will have 650,623 Kootenay Shares issued and outstanding.
 - The Company will structure the acquisition of all of Canndora Shares and Greeny Shares as a triangular amalgamation, whereby Canndora shareholders, in exchange of 100% issued and outstanding shares of Canndora, will receive 18,260,870 Common Shares, and Greeny shareholders will receive 8,745,373 Common Shares in exchange of 100% issued and outstanding common shares of Greeny.
 - On July 27, 2020, the Company made a takeover bid for 100% of Lifted Shares and Lifted Options whereby Lifted Shareholders will receive 61,430,479 Common Shares, subject to a minimum deposit condition of 50.1%. As of June 23, 2020, Kootenay entered into lock-up agreements with certain Lifted Shareholders representing approximately 61% of the issued and outstanding Lifted Shares and who have agreed to tender their respective Lifted Shares under the Lifted Takeover Bid. Hence, only 37,620,809 Common Shares are assumed to be issued to Lifted Shareholders in exchange for their Lifted Shares as of preparation of these pro forma statements.
 - Shareholders of Canndora, Greeny and Lifted will receive Common Shares in exchange for their respective common shares assuming a Common Share price of \$1.15.
 - Holders of outstanding options ("**Greeny Options**") of Greeny will receive 660,244 options of the Company in exchange for their Greeny Options and holders of outstanding warrants ("**Greeny Warrants**") of Greeny will receive 568,723 warrants of the Company in exchange for their Greeny Warrants.
 - Holders of Lifted Options will receive 3,750,000 options of the Company.

The Transaction will be accounted for as a reverse takeover whereby the Company will continue primarily as an operator of e-commerce stores that provides services and related products to the cannabis industry. At the closing of the Transaction, the Company will re-qualify for listing on the CSE and will obtain financing for the further development of its businesses.

Management determined that, for accounting purposes, Lifted will become the acquirer as a result of completing the Transaction on the basis that the shareholders of Lifted will obtain the largest number of common shares (holding 59.01%, excluding the financing which will be completed by the Company concurrently with the closing of the Transaction and the debt settlement in shares which will be completed by Kootenay, Greeny and Lifted, prior to the closing of the Transaction) of the Company, taking into consideration the outstanding options, warrants and convertible debts.

Kootenay does not meet the definition of a business, therefore the transaction is outside of the scope of IFRS 3 *Business Combinations*. Instead, the transaction will be accounted for under IFRS 2 *Share-based Payment*. Under this basis of accounting, the consolidated entity is considered to be a continuation of the businesses of Canndora, Greeny and Lifted, with the net identifiable assets of Kootenay, Canndora and Greeny deemed to have been acquired by Lifted. The results of operations from Kootenay, Canndora and Greeny will be included in the financial statements since the date of acquisition.

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)
Notes to the Pro-Forma Financial Statements
(Expressed in Canadian Dollars)
(Unaudited)

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (CONTINUED)

The following table summarizes the consideration to be paid and the fair value of the identifiable assets which will be acquired and liabilities assumed as of the date of acquisition:

Acquisition of Kootenay		
Fair value of consideration (650,623 shares at \$1.15 per share)	\$	748,216
Allocated as follows:		
Identified fair value of net assets:		
Cash		110,719
Receivables		74,713
Prepaid expenses		4,100
Accounts payable and accrued liabilities		(112,664)
FT premium liability		(12,500)
Indemnification provision		(160,135)
		(95,767)
Listing expense	\$	843,983
Acquisition of Canndora		
Fair value of consideration (18,260,870 shares at \$1.15 per share)	\$	21,000,001
Allocated as follows:		
Identified fair value of net assets:		
Cash		375,641
Intangible assets		1,000,000
Accounts payable and accrued liabilities		(111,000)
Loan payable		(650)
		1,263,991
Goodwill	\$	19,736,010
Acquisition of Greeny		
Fair value of consideration (8,745,373 shares at \$1.15 per share)	\$	10,057,179
Fair value of outstanding options		64,135
Fair value of outstanding warrants		231,821
Total costs of acquisition		10,353,135
Allocated as follows:		
Identified fair value of net assets:		
Cash		135,290
Prepaid expenses		52,480
Intangible assets		255,740
Accounts payable and accrued liabilities		(217,756)
Convertible promissory notes		(416,246)
		(190,492)
Goodwill	\$	10,543,627

**The fair values of the shares issued as consideration for the Acquisition were estimated to be at \$1.15 per share using the price of the concurrent private placement (Note 2(b)).*

The capital structure recognized in the unaudited pro forma statement of financial position is that of Kootenay but the dollar amount of the issued share capital immediately prior to the completion of the transaction is that of Lifted plus the value of shares that will be issued by Kootenay to acquire Canndora, Greeny and Lifted and the shares that will be issued in the concurrent financing and shares-for-debt transactions.

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (CONTINUED)

- (b) Concurrently with the closing of the Transaction, the Company intends to complete a private placement (the **"Private Placement"**) of up to 1,304,348 units at a price of \$1.15 per unit for gross proceeds of up to \$1,500,000. Each unit consists of one Common Share and one Common Share purchase warrant, entitling the holder thereof to acquire one Common Share at a price of \$1.40 for a period of 3 years from the closing of the Private Placement. Finder's fees consisting of 6% units or up to 78,261 Common Shares plus up to 78,261 warrants valued at \$80,309 using the Black-Scholes Option Pricing Model, and 6% cash or up to \$90,000 will be paid in connection with the Private Placement.
- (c) On March 27, 2020, Kootenay closed a non-brokered placement consisting of an issuance of non-flow-through and flow-through shares (the **"Subsequent Issuance"**). 60,870 post-Consolidated non-flow-through common shares were issued at a price of \$1.15 per share for gross proceeds of \$70,000, and 21,739 post-Consolidated flow-through common shares were issued at a price of \$1.15 per share for gross proceeds of \$25,000. The Company recognized a flow-through premium of \$12,500.

Kootenay also issued a total of 52,174 post-Consolidated shares valued at \$30,000 for settlement of outstanding debts of \$60,000, which resulted to a gain on debt settlement of \$30,000.

- (d) Concurrently with or prior to the Transaction, the Company will issue shares to settle debts as follows:
- Kootenay – 69,441 shares issued at \$1.15 per share to settle debt of \$79,857.
 - Greeny – 420,758 shares issued at \$1.15 per share to settle debt of \$483,872 (of which \$176,472 was included in Greeny's accounts payable as of April 30, 2020, and the remainder consisted of consulting fees of \$206,000, legal fees of \$30,000, and management fees of \$71,400, which were incurred subsequent to April 30, 2020).
 - Lifted – On June 18, 2020, 130,749 shares were issued at \$1.15 per share to settle debt of \$150,050 (of which \$117,946 was included in Lifted's accounts payable as of April 30, 2020 and consulting fees of \$32,104 were incurred subsequently).

3. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (CONTINUED)

(e) In June 2020, the Company issued promissory notes as follows:

- On June 4, 2020, Greeny issued to a third-party lender a promissory note in a principal amount of \$150,000. The promissory note bears interest of 12% per annum, payable monthly and matures on June 4, 2022. Pursuant to the promissory note, Greeny shall pay to the lender \$9,000 representing the prepayment of interest for the period commencing on the date of the promissory note and ending six months from the date of the promissory note; \$2,500 of arrangement fee; and \$4,000 of legal fees. Furthermore, Greeny issued 272,727 Greeny Share purchase warrants exercisable at \$0.55 per share (130,012 exercisable at \$1.15 per Common Share of the Company) for a period of three years from the date of the promissory note. The promissory note is convertible into Common Shares of the Company at \$1.15 per share.

The fair value of the liability component at the time of issue was determined based on an estimated rate of 15% for promissory notes without the conversion feature. The fair value of the conversion feature is determined as the difference between the face value and the fair value of the liability component. The Company uses the relative fair value method when allocating the fair values of the liability component, the conversion feature and the warrants issued in conjunction with the convertible promissory note. The Company has calculated the initial fair values of the liability component net of transaction cost of \$86,004, the equity component of \$4,743, and the warrants of \$52,753. The fair value of the warrants was calculated using the Black-Scholes Option Pricing Model using the following variables: share price of \$0.50, exercise price of \$0.55, expected share price volatility of 100%, expected life of 3 years and risk-free interest rate of 0.30%.

- On June 15, 2020, Lifted issued to third-party vendors convertible promissory notes in an aggregate principal amount of \$556,455 in lieu of fees payable for certain consulting services provided to Lifted. The fees payable were included in accounts payable and accrued liabilities in the consolidated statement of financial position as at April 30, 2020. The promissory notes are non-interest bearing and convertible any time prior to the maturity date of 18 months from the effective date, unless such maturity date is otherwise shortened due to the occurrence of an Accelerated Maturity Event, which is defined as the completion of an offering by the Company of Common Shares with gross proceeds of at least 2,000,000, provided that the Company is at the time of such offering a reporting issuer in at least one province of Canada and such Common Shares are listing for trading on a recognized stock exchange in Canada. The promissory notes are convertible into Common Shares of the Company at a conversion price of the 20 trading day volume weighted average price of the Common Shares, at \$1.15 as of the date of the pro forma statement.

The fair value of the entire liability at the time of issue was determined as the face value of the convertible note of \$556,455.

- On June 19, 2020, Lifted issued to a related party a convertible promissory note in the principal amount of \$500,000. The promissory note is secured, non-interest bearing and convertible any time prior to the maturity date of 18 months from the effective date. The promissory note is convertible into Common Shares of the Company at a conversion price of 80% of the fair market value per common share of the Company, at \$0.92 as of the date of the pro forma statement.

The fair value of the entire liability at the time of issue was determined as the face value of the convertible note of \$500,000.

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)
Notes to the Pro-Forma Financial Statements
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(Unaudited)

4. PRO-FORMA SHARE CAPITAL

After giving effect to the pro-forma adjustments and assumptions in Note 2, the issued and fully paid share capital of the Company would be as follows:

	Note	Shares	Amount	Contributed Surplus	Warrant Reserve	Deficit	Non-Controlling Interest	Total Equity
			\$	\$	\$	\$	\$	\$
Common shares of Canndora issued and outstanding as at April 30, 2020		18,000,000	1,375,000	-	-	-	-	1,375,000
Common shares of Greeny issued and outstanding as at April 30, 2020		18,345,261	596,908	64,135	275,926	-	-	936,969
Common shares of Lifted issued and outstanding as at April 30, 2020		61,300,000	3,929,524	636,421	-	(5,468,520)	-	(902,575)
Common shares of Kootenay issued and outstanding as at February 29, 2020 (post-Consolidated)		515,840	5,985,338	-	-	-	-	5,985,338
Subsequent share issuance by Kootenay (post-Consolidated)	2(c)	134,783	112,500	-	-	-	-	112,500
<i>Effect of transaction:</i>								
Elimination of Canndora common shares and share capital value		(18,000,000)	(1,375,000)	-	-	-	-	(1,375,000)
Elimination of Greeny common shares and share capital value		(18,345,261)	(596,908)	-	-	-	-	(596,908)
Elimination of Kootenay capital value		-	(6,097,838)	-	-	-	-	(6,097,838)
Elimination of Lifted common shares	2(a)	(37,620,809)	-	-	-	-	-	-
Non-controlling interest	2(a)	(23,679,191)	-	-	-	348,665	(348,665)	-
Issuance of Kootenay shares to Canndora pursuant to the Amalgamations (exchange ratio - 1.01449275)	2(a)	18,260,870	21,000,001	-	-	-	-	21,000,001
Issuance of Kootenay shares to Greeny pursuant to the Amalgamations (exchange ratio - 0.47671020)	2(a)	8,745,373	10,057,179	-	-	-	-	10,057,179
Shares to be issued to settle Greeny payables	2(d)	420,758	483,872	-	-	(307,400)	-	176,472
Issuance of Kootenay shares to Lifted pursuant to the Lifted Takeover Bid (at exchange ratio of 1:1)	2(a)	37,620,809	-	-	-	-	-	-
Shares issued to settle Lifted payables	2(d)	130,479	150,050	-	-	(32,104)	-	117,946
Warrants reserve on Greeny promissory note, including adjustment as of April 30, 2020	2(e)	-	-	-	(44,105)	-	-	(44,105)
Fair value of shares deemed issued to Kootenay	2(a)	-	748,216	-	-	-	-	748,216
Shares to be issued to settle Kootenay payables	2(d)	69,441	79,857	-	-	-	-	79,857
Shares to be issued pursuant to private placement, net of finder's fees	2(b)	1,382,609	1,329,691	-	80,309	-	-	1,410,000
Listing expense	2(a)	-	-	-	-	(843,983)	-	(843,983)
Balance		67,280,962	37,778,390	700,556	312,130	(6,303,342)	(348,665)	32,139,069

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4. EFFECTIVE TAX RATE

The pro-forma effective income tax rate applicable to the operations subsequent to the completion of the Transaction is 21%.

APPENDIX F

DIVISION 2 OF PART 8 OF THE BCBCA - DISSENT PROCEEDINGS

Definitions and application

237 (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
 - (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
 - (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.
- (2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that
- (a) the court orders otherwise, or
 - (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
 - (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
 - (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
 - (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company’s undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

- (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

- 243 (1)** A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and

- (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(a) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

- (b) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection

(2) (a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (a) the company is insolvent, or
- (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.