

## AGENCY AGREEMENT

October 27, 2020

VEXT Science, Inc.  
2250 – 1055 West Hastings Street  
Vancouver, BC V6E 2E9

**Attention: Eric Offenberger, Chief Executive Officer**

Dear Sir:

Beacon Securities Limited (“**Lead Agent**”), as lead agent, together with Canaccord Genuity Corp. (collectively, with the Lead Agent, the “**Agents**” and, individually, an “**Agent**”) understand that VEXT Science, Inc. (the “**Corporation**”) proposes to issue and sell up to 16,666,666 units of the Corporation (the “**Initial Units**”) at a price of \$0.36 per Initial Unit (the “**Issue Price**”), for aggregate gross proceeds of up to \$5,999,999.76, upon and subject to the terms and conditions contained herein (the “**Offering**”).

Each Initial Unit shall consist of one Subordinated Voting Share (as defined herein, and as a constituent of the Initial Unit, an “**Initial Share**” and, collectively, the “**Initial Shares**”) and one share purchase warrant of the Corporation (an “**Initial Warrant**” and, collectively, the “**Initial Warrants**”). The Warrants (as defined herein) shall be created and issued pursuant to a warrant indenture (the “**Warrant Indenture**”) to be dated as of the Closing Date (as defined herein) between the Corporation and Odyssey Trust Company, in its capacity as warrant agent thereunder (the “**Warrant Agent**”). Each Warrant will entitle the holder thereof to acquire one Subordinated Voting Share (a “**Warrant Share**” and, collectively, the “**Warrant Shares**”) at a price of \$0.45 per Warrant Share, for a period of 36 months from the Closing Date (the “**Expiry Date**”). The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture. In case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants set forth in the Warrant Indenture, the provisions of the Warrant Indenture will govern.

The Corporation also hereby grants to the Agents an option (the “**Over-Allotment Option**”), which may be exercised by the Agents in whole or in part in the Agents’ sole discretion and without obligation, to offer and sell as agents up to 2,499,999 additional units of the Corporation (the “**Additional Units**”) at a price equal to the Issue Price, for the purpose of covering over-allotments, if any, made in connection with the Offering and for market stabilization purposes. Each Additional Unit shall consist of one Subordinated Voting Share (an “**Additional Share**” and, collectively, the “**Additional Shares**”) and one share purchase warrant of the Corporation (an “**Additional Warrant**” and, collectively, the “**Additional Warrants**”). The Agents can elect to exercise the Over-Allotment Option for: (i) Additional Units at the Issue Price; (ii) Additional Shares at a price of \$0.32 per Additional Share; (iii) Additional Warrants at a price of \$0.04 per Additional Warrant; or (iv) any combination of Additional Units, Additional Shares and Additional Warrants. The Over-Allotment Option may be exercised in whole or in part at any time and from time to time on or before 5:00 p.m. (Vancouver time) on the date that is 30 days after the Closing Date in accordance with the provisions of this Agreement. The Agents shall be under no obligation whatsoever to exercise the Over-Allotment Option in whole or in part.

Unless the context otherwise requires or unless otherwise specifically stated, all references in this Agreement to: (i) the “**Offering**” shall be deemed to include the Over-Allotment Option; (ii) the “**Offered Units**” shall mean, collectively, the Initial Units and the Additional Units; (iii) the “**Shares**” shall mean, collectively, the

Initial Shares and the Additional Shares; and (iv) the “**Warrants**” shall mean, collectively, the Initial Warrants and the Additional Warrants.

The Agents understand that the Corporation: (i) has filed the Preliminary Prospectus (as defined herein), and obtained a decision document issued by the British Columbia Securities Commission, as principal regulator, evidencing that a receipt (or deemed receipt) has been issued for the Preliminary Prospectus, in each of the Qualifying Jurisdictions (as defined herein); (ii) has filed the First Amended Preliminary Prospectus (as defined herein), and obtained a decision document issued by the British Columbia Securities Commission, as principal regulator, evidencing that a receipt (or deemed receipt) has been issued for the First Amended Preliminary Prospectus, in each of the Qualifying Jurisdictions; (iii) has filed the Second Amended Preliminary Prospectus (as defined herein), and obtained a decision document issued by the British Columbia Securities Commission, as principal regulator, evidencing that a receipt (or deemed receipt) has been issued for the Second Amended Preliminary Prospectus, in each of the Qualifying Jurisdictions; (iv) has addressed the comments made by the Securities Commissions (as defined herein) in respect of the Preliminary Prospectus, the First Amended Preliminary Prospectus and the Second Amended Preliminary Prospectus; and (iii) has been cleared by all of the Securities Commissions to file the Final Prospectus (as defined herein). The Corporation has prepared and will file, concurrently with the execution of this Agreement, the Final Prospectus and all other necessary documents in order to qualify the Offered Units for distribution to the public in each of the Qualifying Jurisdictions, the grant of the Over-Allotment Option and the issue of the Compensation Options (as defined herein), and will obtain the Final Receipt (as defined herein) for the Final Prospectus prior to 5:00 p.m. (Vancouver time) on the date hereof (or such later date or time as reasonably agreed to by the Corporation and the Lead Agent).

Upon and subject to the terms and conditions set forth herein, the Agents hereby agree to act, and upon acceptance hereof the Corporation hereby appoints the Agents, as the Corporation’s exclusive agents to offer for sale, in the respective percentages set forth in Section 18, on a “best efforts” agency basis, without underwriter liability, the Offered Units and to arrange for purchasers resident in the Selling Jurisdictions (as defined herein) where the Offered Units may be lawfully offered and sold, in accordance with the terms hereof. It is understood and agreed that the Agents are under no obligation to purchase any of the Offered Units.

The Corporation and the Agents agree that any offers to sell or sales of the Offered Units to Purchasers who are, or are purchasing for the account or benefit of, U.S. Persons (as defined herein) or persons in the United States (as defined herein) will (i) be made in compliance with Schedule “C” attached hereto, which forms part of this Agreement, and allows for the Agents, acting through their U.S. Affiliates, to offer and sell the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons that are U.S. Accredited Investors (as defined herein) (including U.S. Accredited Investors that also qualify as Qualified Institutional Buyers (as defined herein)) pursuant to Rule 506(b) of Regulation D (as defined herein) and/or Section 4(a)(2) of the U.S. Securities Act (as defined herein) and similar exemptions under applicable state securities laws; (ii) be conducted in such a manner so as not to require registration thereof or the filing of a registration statement or a prospectus with respect thereto under the U.S. Securities Act (as defined herein) and (iii) be conducted through one or more duly registered U.S. Affiliates (as defined herein) of the Agents in compliance with applicable federal and state securities laws of the United States. In addition, the Agents agree that all offers and sales of Offered Units to Purchasers who are, or are purchasing for the account or benefit of, U.S. Persons or persons in the United States, have been made and will be made in accordance with the requirements of Schedule “C” applicable thereto.

Subject to Applicable Laws and the terms of this Agreement, the Offered Units may be distributed outside of Canada and the United States, in each jurisdiction as mutually agreed to by the Corporation and the Agents where they be lawfully sold by the Agents without: (i) giving rise to a requirement under the laws of such jurisdiction to prepare and/or file a prospectus or document having similar effect; or (ii) creating any ongoing

compliance obligations or continuous disclosure obligations for the Corporation pursuant to the laws of such jurisdiction.

In consideration of the services to be rendered by the Agents in connection with the Offering, the Corporation hereby agrees to pay to the Agents the Commission (as defined herein) and to issue and deliver to the Agents the Compensation Options (as defined herein) in such amounts and with such terms as set out in Section 14 hereof. The obligation of the Corporation to pay the Commission and to issue and deliver the Compensation Options shall arise at the Closing Time (as defined herein) and the Commission and the Compensation Options shall be fully earned by the Agents upon the completion of the Offering. Unless the context otherwise requires or unless otherwise specifically stated, all references in this Agreement to Compensation Options and Compensation Shares (as defined herein) shall include, respectively, the additional Compensation Options issuable upon exercise of the Over-Allotment Option and the Compensation Shares underlying such additional Compensation Options. If the Compensation Options are unavailable for any reason, the Corporation shall pay the Agents other compensation of comparable value to the Compensation Options, such other form of compensation to be agreed between the Corporation and the Agents, each acting reasonably.

The Offering is conditional upon and subject to the additional terms and conditions set forth below. The following are additional terms and conditions of the Agreement between the Corporation and the Agents.

## TERMS AND CONDITIONS

The following are additional terms and conditions of this Agreement between the Corporation and the Agents:

### Section 1 Definitions and Interpretation

(1) Where used in this Agreement or in any amendment hereto, the following terms have the following meanings, respectively:

“**Act**” means the *Business Corporations Act* (British Columbia);

“**Additional Securities**” means collectively, the Additional Units, the Additional Shares and the Additional Warrants;

“**Additional Shares**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Additional Units**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Additional Warrants**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**affiliate**” and “**associate**” have the respective meanings given to them in the Securities Act;

“**Agents**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Agreement**” means this agency agreement, as it may be amended from time to time;

“**Applicable Laws**” means all applicable laws, rules, regulations, policies, statutes, ordinances, codes, orders, consents, decrees, judgments, decisions, rulings, awards, or guidelines, the terms and conditions of any Authorizations, including any judicial or administrative interpretation thereof, of any Governmental Entity;

“**Auditors**” means Buckley Dodds LLP, Chartered Professional Accountants;

“**Authorizations**” means any regulatory licenses, approvals, permits, consents, certificates, registrations, filings or other authorizations and any supplements or amendments thereto, of or issued by any Governmental Entity under Applicable Laws, including Environmental Laws;

“**Business**” means the business of the Corporation and the Subsidiaries an agricultural technology, services and property management company utilizing a full vertical integration business model to oversee and execute all aspects of cultivation, extraction, manufacturing (THC and CBD cartridges, concentrates, edibles), retail dispensary, and wholesale distribution of high margin cannabis THC and hemp CBD products under the Vapen and Pure Touch Botanicals brands, as further described in the Offering Documents;

“**Business Assets**” means all tangible and intangible property and assets owned (either directly or indirectly), leased, licensed, loaned, operated or used, including all real property, personal property, fixed assets, facilities, equipment, inventories and accounts receivable, by the Corporation and the Subsidiaries in connection with the Business, including the Facilities;

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

“**Canadian Securities Laws**” means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the Qualifying Jurisdictions, including the rules and policies of the CSE;

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

“**Claims**” has the meaning ascribed thereto in Section 13 of this Agreement;

“**Closing**” means the completion of the issuance and sale of the Offered Units pursuant to the Offering in accordance with the provisions of this Agreement;

“**Closing Date**” means the date on which the Closing shall occur, which is anticipated to occur on October 29, 2020, or such earlier or later date as may be agreed to in writing by the Corporation and the Lead Agent, on behalf of the Agents, each acting reasonably;

“**Closing Time**” means 8:30 a.m. (Toronto time) on the Closing Date or Option Closing Date, as applicable, or such other time on the Closing Date or Option Closing Date as may be agreed to by the Corporation and the Agents;

“**Commission**” has the meaning ascribed thereto in in Section 14 of this Agreement;

“**Compensation Option Certificates**” means the certificates representing the Compensation Options and containing the terms thereof;

“**Compensation Options**” has the meaning ascribed thereto in Section 14 of this Agreement;

“**Compensation Securities**” means collectively, the Compensation Options and the Compensation Shares;

“**Compensation Shares**” has the meaning ascribed thereto in Section 14 of this Agreement;

“**Corporation**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**COVID-19 Outbreak**” has the meaning ascribed thereto in Section 7(ccc) of this Agreement;

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

“**Debt Instrument**” means any and all agreements, loans, bonds, notes, debentures, indentures, promissory notes, mortgages, guarantees, security agreements or other instruments evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Corporation or any of the Subsidiaries are a party or to which their property or assets are otherwise bound and which is material to the Corporation on a consolidated basis, and including all related security documentation;

“**Directed Selling Efforts**” means “directed selling efforts” as that term is defined in Rule 902(c) of Regulation S;

“**distribution**” means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws;

“**Documents Incorporated by Reference**” means the documents specified in the Prospectus or any Supplementary Material, as the case may be, as being incorporated therein by reference, together with such other documents which are deemed to be incorporated therein by reference pursuant to applicable Canadian Securities Laws;

“**Employee Plans**” has the meaning ascribed thereto in Section 7(jjj) of this Agreement;

“**Engagement Letter**” means, the letter agreement dated October 7, 2020, between the Corporation and the Lead Agent;

“**Environmental Laws**” means all Applicable Laws relating to the environment or environmental issues (including air, surface, water and stratospheric matters), pollution or protection of human health and safety, including without limitation relating to the release, threatened release, manufacture, processing, blending, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

“**Expiry Date**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Facilities**” means the real property leased by Subsidiaries located at: (i) 4215 N. 40th Avenue, Phoenix, Arizona 85019; and (ii) 4126 W. Indian School Road, Phoenix, Arizona 85019;

“**Final Prospectus**” means the (final) short form prospectus of the Corporation relating to the Offering, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and to be filed by the Corporation with the Securities Commissions in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Final Receipt has been issued;

“**Final Receipt**” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in each of the Qualifying Jurisdictions;

**“Financial Statements”** means, collectively, the (i) audited consolidated financial statements of the Corporation for the financial year ended December 31, 2019 (which financial statements include comparative financial information for the 2018 financial year), together with the notes thereto and the auditor’s report thereon; and (ii) the unaudited condensed consolidated interim financial statements of the Corporation for the three and six months ended June 30, 2020 (which financial statements include comparative financial information for the comparable periods in 2019), together with notes thereto;

**“First Amended Preliminary Prospectus”** means the first amended and restated preliminary short form prospectus of the Corporation dated October 8, 2020, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and filed by the Corporation in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Preliminary Receipt has been issued;

**“Governmental Entity”** means any (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board, or authority of any of the foregoing, (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing, or (iv) any stock exchange or securities regulatory authority;

**“Government Official”** means (i) any official, officer, employee or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Entity, (ii) any salaried political party official, elected member of political office or candidate for political office, or (iii) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;

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

**“IFRS”** means International Financial Reporting Standards as issued by the International Accounting Standards Board;

**“including”** means including but not limited to;

**“Indemnified Party”** or **“Indemnified Parties”** have the meanings ascribed thereto in Section 13 of this Agreement;

**“Indemnitor”** has the meaning ascribed thereto in Section 13 of this Agreement;

**“Initial Shares”** has the meaning ascribed thereto in the opening paragraphs of this Agreement;

**“Initial Units”** has the meaning ascribed thereto in the opening paragraphs of this Agreement;

**“Initial Warrants”** has the meaning ascribed thereto in the opening paragraphs of this Agreement;

**“intellectual property”** has the meaning ascribed thereto in Section 7(kkk) of this Agreement;

**“Issue Price”** has the meaning ascribed thereto in the opening paragraphs of this Agreement;

**“Lead Agent”** has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Leased Premises**” means the premises which the Corporation or any Subsidiary occupies as a tenant;

“**Liens**” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatsoever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;

“**Losses**” has the meaning ascribed thereto in Section 13 of this Agreement;

“**Marketing Materials**” means, collectively, the term sheets for the Offering dated October 7, 2020, October 8, 2020 and October 9, 2020, each as agreed to between the Corporation and the Lead Agent and filed and delivered by the Corporation in accordance with NI 41-101 and NI 44-101 in the Qualifying Jurisdictions;

“**marketing materials**” and “**template version**” have meanings ascribed thereto in NI 41-101;

“**Material Adverse Effect**” means any event, change, fact, or state of being which could reasonably be expected to have a significant and adverse effect on the business, affairs, capital, operation, properties, permits, assets, liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) of the Corporation and the Subsidiaries considered on a consolidated basis;

“**Material Agreement**” means any and all contracts, commitments, agreements (written or oral), instruments, leases or other documents, including licenses, sub-licenses, supply, manufacturing, licensing, branding, distribution, sales, investment, joint venture or strategic alliance, collaboration, service or consulting agreements or any other similar type agreements, to which the Corporation or any of the Subsidiaries is a party or to which their Business Assets are otherwise bound, and which is material to the Corporation on a consolidated basis;

“**material change**”, “**material fact**” and “**misrepresentation**” have the respective meanings ascribed thereto in the Securities Act;

“**Material Premises**” means collectively, the Leased Premises and the Owned Premises which are material to the Corporation or the Subsidiaries, including the Facilities;

“**MI 11-102**” means Multilateral Instrument 11-102 – *Passport System*;

“**Money Laundering Laws**” has the meaning ascribed to such term in Section 7(ee) of this Agreement;

“**New Gen Transaction**” means the share exchange agreement pursuant to which the Corporation acquired all of the issued and outstanding shares of New Gen Holdings, Inc. in exchange for certain shares of the Corporation;

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*;

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions*;

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

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

“**NP 11-202**” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

“**Offered Units**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Offered Securities**” means, collectively, the Offered Units, the Shares, the Warrants and the Warrant Shares;

“**Offering**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Offering Documents**” means the Preliminary Prospectus, the Amended Preliminary Prospectus, the Final Prospectus and any Supplementary Material;

“**Over-Allotment Option**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Option Closing Date**” has the meaning ascribed thereto in the Section 12(1) of this Agreement;

“**Owned Premises**” means the premises which the Corporation or any Subsidiary owns;

“**Passport System**” means the system for review of prospectus filings set out in MI 11-102 and NP 11-202;

“**Person**” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“**Preliminary Prospectus**” means the preliminary short form prospectus of the Corporation dated October 7, 2020, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and filed by the Corporation in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Preliminary Receipt has been issued;

“**Preliminary Receipts**” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for each of the Preliminary Prospectus, the First Amended Preliminary Prospectus and the Second Amended Preliminary Prospectus in each of the Qualifying Jurisdictions;

“**Principal Regulator**” means the British Columbia Securities Commission;

“**Prospectus**” means, collectively, the Preliminary Prospectus, the First Amended Preliminary Prospectus, the Second Amended Preliminary Prospectus and the Final Prospectus;

“**provide**” in the context of sending or making available marketing materials to a potential investor of Offered Securities has the meaning ascribed thereto under Canadian Securities Laws, whether in the context of a “road show” (as defined in NI 41-101) or otherwise;

“**Public Disclosure Record**” means, collectively, all of the documents which have been filed on www.sedar.com by or on behalf of the Corporation with the Securities Commissions pursuant to the requirements of Canadian Securities Laws;

“**Purchasers**” means, collectively, each of the purchasers of Offered Securities arranged by the Agents in connection with the Offering;

“**Qualifying Jurisdictions**” means all of the provinces of Canada, except for Quebec;

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

“**Regulation S**” means Regulation S under the U.S. Securities Act;

“**Regulation D**” means Regulation D under the U.S. Securities Act;

“**Repayment Event**” means any event or condition which gives the holder of any Debt Instrument (or any person acting on such holder’s behalf) the right to require the repurchase, redemption or repayment of all or a material portion of such indebtedness by the Corporation or its subsidiaries;

“**Second Amended Preliminary Prospectus**” means the second amended and restated preliminary short form prospectus of the Corporation dated October 9, 2020, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and filed by the Corporation in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Preliminary Receipt has been issued;

“**Securities Act**” means the *Securities Act* (British Columbia);

“**Securities Commissions**” means the securities regulatory authority in each of the Qualifying Jurisdictions;

“**Securities Laws**” means, collectively, Canadian Securities Laws, U.S. Securities Laws and all applicable securities laws, rules, regulations, policies and other instruments promulgated by the Securities Regulators in any of the other Selling Jurisdictions, including the CSE;

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

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

“**Selling Firm**” and “**Selling Group**” have the meanings ascribed thereto in Section 3(c) of this Agreement;

“**Selling Jurisdictions**” means, collectively, each of the Qualifying Jurisdictions, the United States and any other jurisdictions outside of Canada and the United States as mutually agreed to by the Corporation and the Agents;

“**Shares**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Standard Listing Conditions**” means the customary post-closing listing conditions imposed by the CSE;

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

“**Super Voting Shares**” means the class of shares designated as Class A common shares in the capital of the Corporation, each Class A common share convertible into 100 Subordinated Voting Shares with the right to one vote for each Subordinated Voting Share into which such Class A common share is convertible;

“**Subsidiaries**” means, collectively, New Gen Holdings, Inc., Step 1 Consulting, LLC, New Gen Admin Services, LLC, New Gen Agricultural Services, LLC, New Gen Real Estate Services, LLC, Hydroponics Solutions, LLC, X-Tane, LLC, Pure Touch Botanicals, LLC, Vapen, LLC, Vapen CBD, LLC, RDF Management, LLC and Firebrand LLC, and “**Subsidiary**” means any one of them;

“**subsidiary**” or “**subsidiaries**” has the meaning ascribed thereto in the Securities Act;

“**Supplementary Material**” means, collectively, any amendment to the Preliminary Prospectus, the First Amended Preliminary Prospectus, the Second Amended Preliminary Prospectus or the Final Prospectus, and any amendment or supplemental prospectus or ancillary materials that may be filed or prepared by or on behalf of the Corporation under Canadian Securities Laws relating to the offer and sale of the Offered Securities;

“**Taxes**” has the meaning ascribed to such term in Section 7(cc) of this Agreement;

“**to the knowledge of the Corporation**” means the actual knowledge of the current directors and officers of the Corporation, after reasonable enquiry;

“**Transaction Documents**” means, collectively, this Agreement, the Warrant Indenture and the Compensation Option Certificates;

“**Transfer Agent**” means Odyssey Trust Company, in its capacity as transfer agent and registrar in respect of the Subordinated Voting Shares at its principal office in Vancouver, British Columbia;

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

“**U.S. Accredited Investor**” an “accredited investor” meeting one or more of the criteria in Rule 501(a) of Regulation D;

“**U.S. Affiliates**” means the United States broker-dealer affiliates of the Agents;

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

“**U.S. Person**” means a “U.S. person” as such term is defined in Rule 902(k) of Regulation S;

“**U.S. Placement Memorandum**” means the U.S. private placement memorandum delivered together with the applicable Prospectus to Purchasers of the Offered Units in the United States, including any Supplementary Material thereto;

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

“**U.S. Securities Laws**” means all applicable securities legislation in the United States, including without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, including the rules and policies of the United States Securities and Exchange Commission and any applicable state securities laws;

“**Warrant Agent**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Warrant Indenture**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Warrant Shares**” has the meaning ascribed thereto in the opening paragraphs of this Agreement; and

“**Warrants**” has the meaning ascribed thereto in the opening paragraphs of this Agreement.

- (2) Any reference in this Agreement to a section or subsection shall refer to a section or subsection of this Agreement.
- (3) All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case required and the verb shall be construed as agreeing with the required word and/or pronoun.
- (4) Any reference in this Agreement to \$ or to “dollars” shall refer to the lawful currency of Canada, unless otherwise specified.
- (5) The following are the schedules to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule “A” Subsidiaries

Schedule “B” Existing Rights

Schedule “C” Compliance with United States Securities Laws

## **Section 2 Attributes of the Securities.**

The Offered Securities to be sold by the Corporation hereunder, along with the Over-Allotment Option and the Compensation Securities, shall have the rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions set forth in the Offering Documents.

## **Section 3 The Offering**

- (a) The sale of the Offered Units to the Purchasers shall be effected in a manner that is in compliance with applicable Securities Laws and upon the terms and conditions set out in the Prospectus and in this Agreement.
- (b) Each Purchaser resident in a Qualifying Jurisdiction shall purchase the Offered Units pursuant to the Final Prospectus. Each Purchaser who is, or is purchasing for the account or benefit of, a U.S. Person or a person in the United States shall purchase the Offered Units pursuant to the U.S. Placement Memorandum and in accordance with Schedule “C” to this Agreement. Each other Purchaser shall purchase the Offered Units in accordance with such procedures as the

Corporation and the Agents may mutually agree, acting reasonably, in order to fully comply with applicable Securities Laws and the Corporation hereby agrees to comply with all Securities Laws, including as to the filing of any notices or forms, on a timely basis in connection with the distribution of the Offered Units so that the distribution of the Offered Units in the Selling Jurisdictions outside of Canada and the United States may lawfully occur so as not to require registration or filing of a prospectus or similar document with respect thereto or compliance by the Corporation with regulatory requirements (including any continuous disclosure obligations), or subject the Corporation (or any of its directors, officers or employees) to any inquiry, investigation or proceeding of any securities regulatory authority, stock exchange or other authority, under applicable Securities Laws in such Selling Jurisdictions outside of Canada and the United States.

- (c) The Corporation agrees that the Agents shall have the right to invite one or more dealers to form a selling group (each a “**Selling Firm**” and together, the “**Selling Group**”) to participate in the soliciting of offers to purchase the Offered Units. The Agents shall have the exclusive right to control all compensation arrangements between the members of the Selling Group and the Agents. The Corporation grants all of the rights and benefits of this Agreement to any Selling Firm so appointed by the Agents and appoints the Agents as trustees of such rights and benefits for such Selling Firm, and the Agents hereby accept such trust and agree to hold such rights and benefits for and on behalf of such Selling Firm. Any Agent who appoints a Selling Firm pursuant to the provisions of this Section 3(c) shall use its commercially reasonable efforts to ensure such Selling Firm agrees with the Agents to comply with the covenants and obligations given by the Agents herein.

#### **Section 4 Filing of Prospectus, Deliveries and Related Matters**

- (1) In connection with the Preliminary Prospectus, the First Amended Preliminary Prospectus and the Second Amended Preliminary Prospectus (and prior to or concurrently with the filing thereof, as applicable), the Corporation:
  - (a) prepared and filed the Preliminary Prospectus, the First Amended Preliminary Prospectus and the Second Amended Preliminary Prospectus pursuant to the Passport System and NI 44-101, and took all other steps and proceedings that may be necessary in connection therewith and received the Preliminary Receipts;
  - (b) delivered or caused to be delivered to the Agents a copy of Preliminary Prospectus, the First Amended Preliminary Prospectus and the Second Amended Preliminary Prospectus, manually signed and certified on behalf of the Corporation, by the persons and in the form as required by Canadian Securities Laws;
  - (c) delivered or caused to be delivered to the Agents a copy of any other document required to be filed with or delivered to the Securities Commissions in connection with the Offering, including any Supplementary Material or Document Incorporated by Reference in the Preliminary Prospectus, the First Amended Preliminary Prospectus or the Second Amended Preliminary Prospectus (other than any document already filed publicly with the applicable Securities Commissions); and

- (d) delivered or caused to be delivered to the Agents a copy of the U.S. Private Placement Memorandum in relation to the Preliminary Prospectus, the First Amended Preliminary Prospectus and the Second Amended Preliminary Prospectus.
- (2) In connection with the Final Prospectus (and prior to or concurrently with the filing thereof, as applicable), the Corporation:
- (a) has satisfied all comments of the Securities Commissions with respect to the Second Amended Preliminary Prospectus and has prepared and will file, concurrently with the execution of this Agreement, the Final Prospectus pursuant to the Passport System and NI 44-101;
  - (b) will deliver or cause to be delivered to the Agents a copy of the Final Prospectus manually signed and certified on behalf of the Corporation, by the persons and in the form as required by Canadian Securities Laws;
  - (c) will deliver or cause to be delivered to the Agents a copy of any other document required to be filed with or delivered to the Securities Commissions in connection with the Offering, including any Supplementary Material or Document Incorporated by Reference in the Final Prospectus (other than any document already filed publicly with the applicable Securities Commissions);
  - (d) will cause the Auditors to deliver a “long-form” comfort letter, dated the date of the Final Prospectus, in form and substance satisfactory to the Agents, acting reasonably, addressed to the Agents and the directors of the Corporation, with respect to the verification of financial and accounting information and other numerical data of a financial nature contained in the Final Prospectus (including all Documents Incorporated by Reference), and matters involving changes or developments since the respective dates as of which specified financial information is given therein, which letter shall be based on a review by the Auditors within a cut-off date of not more than two Business Days prior to the date of the letter and which letter shall be in addition to the Auditors’ consent letter and comfort letter (if any) to be addressed and delivered to the Securities Commissions;
  - (e) will obtain the Final Receipt for the Final Prospectus prior to 5:00 p.m. (Vancouver time) on the date hereof (or such later date or time as reasonably agreed to by the Corporation and the Lead Agent) and will take all other steps and proceedings that may be necessary in order to qualify the Offered Securities, the Over-Allotment Option and the Compensation Securities for distribution pursuant to the Final Prospectus in each of the Qualifying Jurisdictions;
  - (f) will deliver or cause to be delivered to the Agents a copy of the U.S. Placement Memorandum in relation to the Final Prospectus; and
  - (g) will deliver to the Agents, without charge, as soon as practicable but in any event by the next Business Day after the Final Receipt is obtained (and will thereafter deliver from time to time), as many commercial copies of the Final Prospectus and the final U.S. Private Placement Memorandum (and any Supplementary Material) as the Agents may reasonably request for the purposes contemplated hereunder and contemplated by applicable Securities Laws and each such delivery of the Final Prospectus and the final U.S. Private Placement Memorandum (and any Supplementary Material) shall constitute the consent of the Corporation to the use of such documents by the Agents and each Selling Firm in connection with the distribution of the Offered Securities, the Over-Allotment Option and the Compensation Securities, subject to the

Agents and each Selling Firm complying with the provisions of applicable Securities Laws and the provisions of this Agreement.

- (3) Prior to or concurrently with the filing of any Supplementary Material with the Securities Commissions, the Corporation will deliver to the Agents documents similar to those referred to in Sections Section 4(2)(a) to (g) inclusive.
- (4) Prior to the filing of the Offering Documents and thereafter, during the period of distribution of the Offered Units, the Corporation shall have allowed the Agents to participate fully in the preparation of, and to approve the form and content of, such documents and shall have allowed the Agents to conduct all due diligence investigations (which shall include the attendance of management of the Corporation, the Auditors, legal counsel and any experts or other consultants requested by the Agents at one or more due diligence sessions to be held) which they may reasonably require in order to fulfill their obligations as agents and in order to enable them to responsibly execute the certificate required to be executed by them at the end of the Prospectus.
- (5) During and prior to the completion of the period of distribution, the Corporation will, to the satisfaction of counsel to the Agents, acting reasonably, promptly take or cause to be taken all steps and proceedings that may be required from time to time under Canadian Securities Laws to qualify the Offered Units for sale to the public and the grant of the Over-Allotment Option and issuance of the Compensation Options in each of the Qualifying Jurisdictions or, in the event that they have, for any reason, ceased to be so qualified, to again so qualify them.
- (6) The Corporation represents and warrants to the Agents with respect to the Offering Documents that as at their respective dates of delivery to the Agents as set out above:
  - (a) all information and statements in such documents (including information and statements incorporated by reference to the extent they have not been superseded by the information and statements in the Offering Documents) (except information and statements relating solely to the Agents and furnished by them specifically for use in a Prospectus) are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offering and the Offered Securities, as required by Canadian Securities Laws;
  - (b) no material fact or information in such documents (including information and statements incorporated by reference) (except information and statements relating solely to the Agents and furnished by them specifically for use in a Prospectus) has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and
  - (c) except with respect to information and statements relating solely to the Agents and furnished by them specifically for use in a Prospectus, the Prospectus and any Supplementary Material comply fully with the requirements of Canadian Securities Laws.
- (7) Subject to compliance with Canadian Securities Laws, during the period commencing on the date hereof and until completion of the distribution of the Offered Units, the Corporation will promptly provide to the Agents drafts of any press releases of the Corporation for review by the Agents prior to issuance and shall obtain the prior approval of the Agents as to the content and form of any press release relating to the Offering prior to issuance, such approval not to be unreasonably withheld or delayed. If required by

Securities Laws, any press release announcing or otherwise referring to the Offering disseminated outside the United States shall comply with Rule 135e under the U.S. Securities Act and include:

- (a) an appropriate notation on the face page substantially as follows: *“Not for distribution, directly or indirectly, to U.S. news wire services, or dissemination in the United States or to a U.S. person, or any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction”*; and
  - (b) substantially the following language: *“This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.”*
- (8) In connection with any marketing materials:
- (c) each of the Corporation and the Lead Agent (on behalf of the Agents) has approved in writing the Marketing Materials, the Corporation has filed the Marketing Materials with the Securities Commissions and the Corporation has incorporated by reference into the Final Prospectus the Marketing Materials, all in accordance with Canadian Securities Laws;
  - (d) as applicable, the Corporation removed all comparables (as defined in NI 41-101) and all disclosure relating to such comparables from the template version of the Marketing Materials in accordance with NI 41-101 prior to filing the template version of the Marketing Materials with the Securities Commissions and, as applicable, the Corporation delivered to the Principal Regulator a complete template version of the Marketing Materials containing such comparables and all disclosure relating to such comparables in accordance with Canadian Securities Laws;
  - (e) during and prior to the completion of the period of distribution, the Corporation and the Agents will not provide any potential investor of Offered Units with any marketing materials except for marketing materials that comply with Canadian Securities Laws and the versions (or template versions) of which have been approved in writing by each of the Corporation and the Lead Agent; and
  - (f) during and prior to the completion of the period of distribution, in addition to the Marketing Materials, the Corporation will cooperate with and assist, acting reasonably, the Agents in preparing and approving in writing the versions (or template versions) of any other marketing materials to be used by the Agents in connection with the Offering and will file with and deliver to the Securities Commissions such versions (or template versions) as may be required by Canadian Securities Laws.

## **Section 5      Material Change.**

- (1) During the period from the date of this Agreement to the completion of the distribution of the Offered Units, the Corporation covenants and agrees with the Agents that it shall promptly notify the Agents in writing with full particulars of:

- (a) any material change (actual, anticipated, contemplated or threatened) in respect of the Corporation and its subsidiaries considered on a consolidated basis;
  - (b) any material fact in respect of the Corporation which has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had the fact arisen or been discovered on, or prior to, the date of such document; and
  - (c) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents which fact or change is, or may be, of such a nature as to render any statement in such Offering Document misleading or untrue in any material respect or which would result in a misrepresentation in the Offering Document or which would result in any of the Offering Documents not complying (to the extent that such compliance is required) with Canadian Securities Laws.
- (2) The Corporation shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Agents, acting reasonably, with all applicable filings and other requirements under Canadian Securities Laws as a result of such fact or change; provided that the Corporation shall not file any Supplementary Material or other document without first providing the Agents with a copy of such Supplementary Material or other document and consulting with the Agents with respect to the form and content thereof. The Corporation shall in good faith discuss with the Agents any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is or could be reasonable doubt whether written notice need be given under this Section 5.
- (3) If during the period of distribution of the Offered Units there shall be any change in Canadian Securities Laws or other laws which results in any requirement to file Supplementary Material, the Corporation will promptly prepare and file such Supplementary Material with the appropriate Securities Commissions where such filing is required, provided that the Corporation shall have allowed the Agents and its counsel to participate in the preparation and review of any Supplementary Material.
- (4) During the period from the date of this Agreement to the completion of the distribution of the Offered Units, the Corporation will notify the Agents promptly:
- (a) when any supplement to any of the Offering Documents or any Supplementary Material shall have been filed;
  - (b) of any request by any Securities Commission to amend or supplement the Prospectus or for additional information;
  - (c) of the suspension of the qualification of the Offered Units or the Over-Allotment Option for offering, sale, issuance, or grant, as applicable, in any jurisdiction, or of any order suspending or preventing the use of the Offering Documents (or any Supplementary Material) or of the institution or, to the knowledge of the Corporation, threatening of any proceedings for any such purpose; and
  - (d) of the issuance by any Securities Commission or any stock exchange of any order having the effect of ceasing or suspending the distribution of the Offered Units or the trading in any securities of the Corporation, or of the institution or, to the knowledge of the Corporation, threatening of any proceeding for any such purpose. The Corporation will use its reasonable

best efforts to prevent the issuance of any such stop order or of any order preventing or suspending such use or such order ceasing or suspending the distribution of the Offered Securities or the trading in any securities of the Corporation and, if any such order is issued, to obtain the lifting thereof at the earliest possible time.

## **Section 6 Regulatory Approvals.**

- (1) Prior to the Completion of the Offering, the Corporation shall file or cause to be filed with the CSE all necessary documents and shall take or cause to be taken all necessary steps to ensure that the Corporation has obtained all necessary approvals for the Shares, the Warrants, the Warrant Shares and the Compensation Shares, to be listed on the CSE subject only to the Standard Listing Conditions.
- (2) The Corporation will make all necessary filings, obtain all necessary consents and approvals (if any) and pay all filing fees required to be paid in connection with the transactions contemplated by this Agreement. The Corporation will cooperate with the Agents in connection with the qualification of the Offered Units for offer and sale, the grant of the Over-Allotment Option and the issuance of the Compensation Options under the Canadian Securities Laws and in maintaining such qualifications in effect for so long as required for the distribution of the Offered Units, the Over-Allotment Option and the Compensation Options.

## **Section 7 Representations and Warranties of the Corporation.**

The Corporation represents and warrants to each of the Agents as follows, and acknowledges that each of them is relying upon such representations and warranties in connection with the offer and sale of the Offered Securities:

### General Matters

- (a) *Good Standing of the Corporation.* The Corporation (i) has been duly incorporated under the Act and is up-to-date in all material corporate filings and in good standing under the Act; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets, including the Business Assets; and (iii) has all requisite corporate power and authority to create, issue and sell the Offered Securities and Compensation Securities and to enter into and carry out its obligations under the Transaction Documents.
- (b) *Good Standing and Ownership of Subsidiaries.* The Corporation's only direct or indirect subsidiaries are the Subsidiaries. Each of the Subsidiaries is duly incorporated or amalgamated, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation and has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets, including the Business Assets. The Corporation directly or indirectly owns all of the outstanding shares of the Subsidiaries as disclosed in Schedule "A" hereto, and all such shares are legally and beneficially owned by the Corporation, free and clear of all Liens or demands of any kind whatsoever, and all of such shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares (or the equivalent legal concept in another jurisdiction) and no Person has any right, agreement or option, exercisable now or in the future, for the purchase from the Corporation of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of the Subsidiaries or any other security convertible into or exchangeable for any such shares.

- (c) *Equity Investees or Other Interests.* Other than the Subsidiaries, the Corporation has never had any and currently has no equity or joint venture interest nor any investment or proposed investment in any Person which accounted for, or which is expected to account for, more than 5% of the assets, liabilities or revenues of the Corporation or which was or would otherwise be material to the business or affairs of the Corporation. The Subsidiaries have never had any and currently have no equity or joint venture interest nor any investment or proposed investment in any Person which accounted for, or which is expected to account for, more than 5% of the assets, liabilities or revenues of the Subsidiaries or which was or would otherwise be material to the business or affairs of the Subsidiaries.
- (d) *Carrying on Business.* The Corporation and each of the Subsidiaries and, to the knowledge of the Corporation, all directors, officers and employees of each: (i) is and at all times has been conducting its Business in accordance with sound industry practices and in material compliance with all Applicable Laws and Authorizations; (ii) has not received any correspondence or notice from any Governmental Entity alleging or asserting material non-compliance with any Applicable Laws or Authorizations; (iii) possesses all material Authorizations required for the conduct of the Business as presently conducted, and such Authorizations are valid and in full force and effect and are not in violation of any material term of any such Authorizations; (iv) has not received notice of any pending or threatened claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Entity or third party alleging that any operation or activity of the Corporation or any of the Subsidiaries or, to the knowledge of the Corporation any of their directors, officers and/or employees is in violation of any Applicable Laws or material Authorizations and has no knowledge or reason to believe that any such Governmental Entity or third party is considering or would have reasonable grounds to consider any such claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other action; (v) has not received notice that any Governmental Entity has taken, is taking, or intends to take action to limit, suspend, modify or revoke any material Authorizations, or advising of the refusal to grant any Authorizations that has been applied for or are in process of being granted, and has no knowledge or reason to believe that any such Governmental Entity is considering taking or would have reasonable grounds to take such action; and (vi) has, or has had on its behalf, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and to keep all licenses in good standing and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission). The Corporation is not aware of any legislation or regulations or proposed legislation or regulations published by any Governmental Entity, which it anticipated will have a Material Adverse Effect. Notwithstanding the foregoing, this representation and warranty does not include the Controlled Substances Act, 21 USC 801 et seq., as it applies to marijuana (including any implementing regulations and schedules in effect at the relevant time) or any other U.S. federal law the violation of which is predicated upon a violation of the Controlled Substances Act as it applies to marijuana.
- (e) *No Proceedings for Dissolution.* No proceedings have been taken, instituted or, are pending for the dissolution, liquidation or winding up of the Corporation nor any Subsidiary.
- (f) *Freedom to Compete.* Neither the Corporation nor any Subsidiary is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly

limits the freedom of the Corporation or any Subsidiary (i) to compete in any line of business, (ii) to transfer or move any of its assets or operations, or (iii) which would have a Material Adverse Effect.

- (g) *Share Capital of the Corporation.* The authorized capital of the Corporation consists of (i) an unlimited number of Subordinated Voting Shares of which, as of the close of business on October 26, 2020, 22,616,226 Subordinated Voting Shares were outstanding as fully paid and non-assessable shares in the capital of the Corporation and (ii) an unlimited number of Super Voting Shares of which, as of the close of business on October 26, 2020, 684,501 Super Voting Shares were outstanding as fully paid and non-assessable shares in the capital of the Corporation. The description of the attributes of the authorized and issued share capital of the Corporation as set out under the heading “Description of Share Capital” in the Prospectus is true and correct.
- (h) *Share Capital of the Subsidiaries.* The authorized and outstanding share capital of the Subsidiaries as set out in Schedule “A” hereto is true and complete at the date hereof, and all of the shares are outstanding as fully paid and non-assessable.
- (i) *Absence of Rights.* Except as referred to in Schedule “B” hereto, no Person now has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Corporation. The Offered Securities, upon issuance, will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation.
- (j) *Stock Exchange Listing and Compliance.* The issued and outstanding Subordinated Voting Shares are listed and posted for trading on the CSE and the OTCQX and the Corporation has not taken any action which would reasonably be expected to result in the delisting or suspension of the Subordinated Voting Shares on or from the CSE and the Corporation is currently in compliance with the rules and policies of the CSE.
- (k) *No Cease Trade Orders.* No order ceasing or suspending trading in the Subordinated Voting Shares or other securities of the Corporation or prohibiting the issuance or sale of the Offered Securities or the issuance of the Compensation Securities has been issued by any regulatory authority which is continuing in effect and, to the knowledge of the Corporation, no proceedings for such purpose has been threatened or are pending.
- (l) *Reporting Issuer Status.* The Corporation is a “reporting issuer”, not included in a list of defaulting reporting issuers maintained by the Securities Commissions in the Provinces of British Columbia and Ontario. The Corporation has complied with its obligations to make timely disclosure of all material changes and material facts relating to it and there is no material change or material fact relating to the Corporation which has occurred and with respect to which the requisite news release has not been disseminated or material change report, as applicable, has not been filed with the securities regulators in the Provinces of British Columbia, or Ontario. Upon receiving the Final Receipt and at the Closing Time, the Corporation will be a “reporting issuer” or the equivalent in each of the Qualifying Jurisdictions not included in a list of defaulting reporting issuers maintained by the Securities Commissions and will not be in default of any requirements under Canadian Securities Laws.

- (m) *No Voting Control or Operation Agreements.* The Corporation is not a party to any agreement, nor is the Corporation aware of any agreement currently in effect or being contemplated or negotiated, which in any manner affects the voting control of any of the securities of the Corporation or the management or operation of the Corporation.
- (n) *Transfer Agent.* The Transfer Agent at its principal office in Vancouver, British Columbia has been duly appointed as the registrar and transfer agent in respect of the Subordinated Voting Shares.
- (o) *Material Agreements and Debt Instruments.* All Material Agreements and Debt Instruments have been disclosed in the Offering Documents, and each is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. The Corporation and each of the Subsidiaries has performed all obligations (including payment obligations) in a timely manner under and are in material compliance with all terms and conditions contained in each Material Agreement and Debt Instrument. Neither the Corporation nor any Subsidiary is in violation, breach or default nor has either received any notification from any party claiming that the Corporation or any Subsidiary is in violation, breach or default under any Material Agreement or Debt Instrument and no other party, to the knowledge of the Corporation, is in breach, violation or default of any term under any Material Agreement or Debt Instrument.
- (p) *Absence of Debt Instruments.* Other than as disclosed in the Offering Documents, the Corporation and the Subsidiaries are not party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument and neither the Corporation nor any Subsidiary has made any loans to, or guaranteed the obligations of, any Person.
- (q) *Absence of Breach or Default.* Neither the Corporation nor any Subsidiary is in breach or default of, and the execution and delivery of the Transaction Documents and the performance by the Corporation of its obligations hereunder or thereunder, the issue and sale of the Offered Securities and the Compensation Securities and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) any statute, rule or regulation applicable to the Corporation or the Subsidiaries, including Canadian Securities Laws; (B) the constating documents or resolutions of the directors (including of committees thereof) or shareholders of the Corporation and the Subsidiaries which are in effect at the date hereof; (C) any Material Agreement or Debt Instrument; or (D) any judgment, decree or order binding the Corporation, the Subsidiaries or the properties or assets of the Corporation or the Subsidiaries, and do not and will not result in a Repayment Event or the creation or imposition of any Liens on any property or assets of the Corporation or the Subsidiaries, including the Business Assets.
- (r) *No Actions or Proceedings.* There are no material claims (including product liability claims), actions, proceedings or investigations (whether or not purportedly by or on behalf of the Corporation) currently outstanding, or to the knowledge of the Corporation, threatened or pending, against the Corporation or the Subsidiaries at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any Governmental Entity. There are no judgments or orders against the Corporation or the Subsidiaries which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation or the Subsidiaries or their properties or assets are subject, or to the knowledge of the Corporation, that are threatened or pending.

- (s) *Financial Statements.* The Financial Statements contain no misrepresentations and present fairly, in all material respects, the consolidated financial position of the Corporation and the Subsidiaries, in each case as applicable, as at and for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of such entities. The Financial Statements have been prepared in accordance with IFRS, applied on a consistent basis throughout the periods involved and there has been no change in accounting policies or practices of the Corporation since December 31, 2019, other than as required by IFRS and as disclosed in the applicable Financial Statements.
- (t) *No Material Changes.* Since December 31, 2019, other than as disclosed in the Offering Documents:
  - (i) there has not been any material change in the assets, properties, affairs, prospects, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Corporation or any Subsidiary;
  - (ii) there has not been any material change in the capital stock or debt of the Corporation or any Subsidiary; and
  - (iii) the Corporation and each of the Subsidiaries has carried on its business in the ordinary course.
- (u) *No Off-Balance Sheet Arrangements.* There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Corporation or the Subsidiaries which are required to be disclosed and are not disclosed or reflected in the Financial Statements.
- (v) *Internal Accounting Controls.* The Corporation and each of the Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (w) *Accounting Policies.* There has been no change in accounting policies or practices of the Corporation or any Subsidiary respectively since December 31, 2019.
- (x) *Independent Auditors.* The Auditors who reported on and certified the Financial Statements are independent public accountants as required by applicable Canadian Securities Laws, and there has not been any "reportable event" (within the meaning of NI 51-102) with respect to the present or, to the knowledge of the Corporation, any former auditor of the Corporation.
- (y) *Purchases and Sales.* Neither the Corporation nor any Subsidiary has approved, entered into any agreement in respect of, or has any knowledge of:
  - (i) the purchase of any material property or any interest therein, or the sale, transfer or other disposition of any material property or any interest therein currently owned,

- directly or indirectly, by the Corporation or the Subsidiary whether by asset sale, transfer of shares, or otherwise;
- (ii) the change of control (by sale or transfer of voting or equity securities or sale of all or substantially all of the assets of the Corporation or any Subsidiary or otherwise) of the Corporation or any Subsidiary; or
  - (iii) a proposed or planned disposition of Subordinated Voting Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Subordinated Voting Shares.
- (z) *Previous Acquisitions.* All previous acquisitions completed by the Corporation or any Subsidiary of any securities, business or assets of any other entity, have been fully and properly disclosed in the Public Disclosure Record and were completed in material compliance with all applicable corporate and securities laws and all necessary corporate and regulatory approvals, consents, authorizations, registrations, and filings required in connection therewith were obtained or made, other than those which the failure to make or obtain would not individually or in the aggregate have a Material Adverse Effect, and complied with in all material respects; the Corporation and/or any Subsidiary, as applicable, conducted all due diligence procedures in connection with such previous acquisitions as are standard and customary for transactions of such nature, and the Corporation and/or any Subsidiary, as applicable, conducted all necessary procedures in accordance with its internal programs to identify and address any material issues prior to such acquisitions.
- (aa) *No Loans or Non-Arm's Length Transactions.* Other than as disclosed in the Offering Documents, neither the Corporation nor any Subsidiary is a party to any Debt Instrument or has any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any Person not dealing at arm's length with the Corporation or any Subsidiary.
- (bb) *Dividends.* There is not, in the constating documents (or equivalent organizational or governing documents) or in any Material Agreement, Debt Instrument, or other instrument or document to which the Corporation or any of the Subsidiaries is a party or otherwise bound, any restriction upon or impediment to, the declaration of dividends by the directors of the Corporation or any Subsidiary or the payment of dividends by the Corporation to the holders of the Subordinated Voting Shares or by any Subsidiary to the Corporation.
- (cc) *Taxes.* All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Corporation and the Subsidiaries have been paid. All tax returns, declarations, remittances and filings required to be filed by the Corporation or any Subsidiary have been filed with all appropriate Governmental Entities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of the Corporation, no examination of any tax return of the Corporation or any Subsidiary is currently in progress and there are no issues or disputes outstanding with any Governmental Entity respecting any Taxes that have been paid, or may be payable, by the Corporation or any Subsidiary, except where

such examinations, issues or disputes, individually or collectively, would not have a Material Adverse Effect.

- (dd) *Anti-Bribery Laws.* Neither the Corporation nor any Subsidiary nor, to the knowledge of the Corporation, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to the Corporation or the Subsidiaries, including but not limited to the *Corruption of Foreign Public Officials Act* (Canada), or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other Person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Entity; or assisting any representative of the Corporation or any Subsidiary in obtaining or retaining business for or with, or directing business to, any Person; or (Y) to any Person in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither the Corporation nor any Subsidiary nor, to the knowledge of the Corporation, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded the Corporation or any Subsidiary, or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Entity responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any Person alleging non-compliance with any such laws.
- (ee) *Anti-Money Laundering.* The operations of the Corporation and the Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Entity (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Entity or any arbitrator involving the Corporation or any Subsidiary with respect to the Money Laundering Laws is pending or, to the best knowledge of the Corporation, threatened. Notwithstanding the foregoing, this representation and warranty does not include the Controlled Substances Act, 21 USC 801 et seq., as it applies to marijuana (including any implementing regulations and schedules in effect at the relevant time) or any other U.S. federal law the violation of which is predicated upon a violation of the Controlled Substances Act as it applies to marijuana.
- (ff) *Directors and Officers.* None of the directors or officers of the Corporation or any Subsidiary are now, or have ever been, (i) subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a company or of a company listed on a particular stock exchange, or (ii) subject to an order preventing, ceasing or suspending trading in any securities of the Corporation or other company.

- (gg) *Related Parties.* None of the directors, officers, employees, consultants or advisors of the Corporation or any Subsidiary, any known holder of more than 10% of any class of shares of the Corporation, or any known associate or affiliate of any of the foregoing Persons or companies, has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction with the Corporation or any Subsidiary which, as the case may be, materially affected, is material to or will materially affect the Corporation or any Subsidiary.
- (hh) *Minute Books and Records.* The minute books and records of the Corporation and the Subsidiaries which the Corporation has made available to the Agents and their counsel in connection with their due diligence investigation of the Corporation and the Subsidiaries for the period from inception to the date of examination thereof are all of the minute books and all of the records of the Corporation and the Subsidiaries for such period and contain copies of all constating documents, including all amendments thereto, and all proceedings of securityholders and directors (and committees thereof) and are complete in all material respects.
- (ii) *Continuous Disclosure.* The Corporation is in compliance in all material respects with its continuous disclosure obligations under the securities laws of the Provinces of British Columbia and Ontario and, without limiting the generality of the foregoing, there has not occurred an adverse material change, financial or otherwise, in the assets, properties, affairs, prospects, liabilities, obligations (contingent or otherwise), business, condition (financial or otherwise), results of operations or capital of the Corporation or any subsidiary which has not been publicly disclosed and the information and statements in the Public Disclosure Record were true and correct as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, do not contain any misrepresentations, and the Corporation has not filed any confidential material change reports which remain confidential as at the date hereof. The Corporation is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Section 140.3 –*Liability for Secondary Market Disclosure* of the Securities Act and analogous provisions under Canadian Securities Laws.
- (jj) *Forward-Looking Information.* With respect to forward-looking information contained in the Prospectus, including for certainty the Documents Incorporated by Reference:
- (i) the Corporation has a reasonable basis for the forward-looking information; and
  - (ii) all material forward-looking information is identified as such, and all such documents caution users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information, and accurately states the material factors or assumptions used to develop forward-looking information.
- (kk) *Full Disclosure.* All information relating to the Corporation and the Subsidiaries, and their business (including plans, projections, strategies and intentions), assets, properties and liabilities provided or made available to the Agents, including all financial, operational, marketing and sales information provided or made available to the Agents, is true and correct in all material respects taken as a whole and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which they were made. The Corporation has

not withheld from the Agents any material facts relating to the Corporation, the Subsidiaries or the Offering.

- (ll) *Taxation.*
  - (i) the Corporation is treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”); and
  - (ii) The Corporation is not, and does not anticipate becoming, a “United States real property holding corporation” as defined in Section 897(c) of the Code.

*The Offering*

- (mm) *Compliance with Laws, Filings and Fees.* The Corporation has complied in all material respects with all Applicable Laws required to be complied with prior to the Closing Time in connection with the Offering. All filings and fees required to be made and paid by the Corporation pursuant to Securities Laws and Applicable Laws have been made and paid, other than customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws and any “blue sky laws” in the United States, as may be required in connection with the Offering.
- (nn) *Corporation Short Form Eligible.* The Corporation is eligible to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to applicable Canadian Securities Laws and on the date of and upon filing of the Final Prospectus there will be no documents required to be filed under the Canadian Securities Laws in connection with the distribution of the Offered Securities or the Compensation Securities that will not have been filed as required.
- (oo) *Corporate Actions.* The Corporation has taken, or will have taken prior to the Closing Time, all necessary corporate action, (i) to authorize the execution, delivery and performance of the Transaction Documents, (ii) to authorize the execution, delivery and filing, as applicable, of the Offering Documents, (iii) to validly issue and sell the Initial Shares as fully paid and non-assessable Subordinated Voting Shares, (iv) to validly issue the Initial Warrants and reserve the underlying Warrant Shares, (v) to validly issue and sell the Warrant Shares upon exercise of the Initial Warrants, (vi) to grant the Over-Allotment Option; (vii) to validly issue and sell the Additional Shares upon exercise of the Over-Allotment Option; (viii) to validly issue the Additional Warrants and reserve the underlying Warrant Shares, (ix) to validly issue and sell the Warrant Shares upon exercise of the Additional Warrants, and (x) to validly create, issue and sell, as applicable, the Compensation Securities.
- (pp) *Valid and Binding Documents.* Each of the execution and delivery of the Transaction Documents and the performance of the transactions contemplated hereby and thereby have been authorized by all necessary corporate action of the Corporation and upon the execution and delivery thereof shall constitute valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, provided that enforcement thereof may be limited by bankruptcy, insolvency and other laws affecting creditors’ rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability may be limited by applicable laws in effect in the Province of British Columbia.

- (qq) *All Consents and Approvals.* All consents, approvals, permits, authorizations or filings as may be required under Securities Laws or by any Governmental Entity or third party (including under the terms of any Material Agreement or Debt Instrument) necessary for: (i) the execution and delivery of the Transaction Documents, (ii) the issuance, creation, sale and delivery, as applicable, of the Offered Securities and the Compensation Securities and the grant of the Over-Allotment Option, and (iii) the consummation of the transactions contemplated hereby and thereby, have been made or obtained, as applicable, except: (A) those which have been obtained or those which may be required and shall be obtained prior to the Closing Time under the Securities Laws or the rules and policies of the CSE, including in compliance with the Securities Laws regarding the distribution of the Offered Securities, the Compensation Securities and the Over-Allotment Option in the Qualifying Jurisdictions, and (B) such customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws and any “blue sky laws” in the United States, as may be required in connection with the Offering.
- (rr) *Shares Validly Issued.* The Shares have been, or prior to the Closing Time will be, duly and validly authorized for issuance and sale pursuant to this Agreement and when issued and delivered by the Corporation pursuant to this Agreement, against payment of the consideration therefor, will be validly issued as fully paid and non-assessable Subordinated Voting Shares.
- (ss) *Warrants Validly Issued.* The Warrants have been or prior to the Closing Time will be, duly and validly created and authorized for issuance and when issued and delivered by the Corporation pursuant to this Agreement and the Warrant Indenture, the Warrants will be validly issued.
- (tt) *Validly Issued Warrant Shares.* The Warrant Shares have been, or prior to the Closing Time will be, duly and validly authorized for issuance and, upon the exercise of the Warrants in accordance with the terms and conditions of the Warrant Indenture, the Warrant Shares will be validly issued as fully paid and non-assessable Subordinated Voting Shares.
- (uu) *Validly Issued Compensation Options.* The Compensation Options have been or prior to the Closing Time will be, duly and validly created and authorized for issuance and when issued and delivered by the Corporation pursuant to this Agreement and the Compensation Option Certificates, the Compensation Options will be validly issued.
- (vv) *Validly Issued Compensation Shares.* The Compensation Shares have been, or prior to the Closing Time will be, duly and validly authorized for issuance and, upon exercise of the Compensation Options in accordance with the terms and conditions of the Compensation Option Certificates, the Compensation Shares will be validly issued as fully paid and non-assessable Subordinated Voting Shares.
- (ww) *Fees and Commissions.* Other than the Agents (or any members of their Selling Group) pursuant to this Agreement, there is no Person acting or purporting to act at the request of the Corporation who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein.
- (xx) *Entitlement to Proceeds.* Other than the Corporation, there is no Person that is or will be entitled to the proceeds of the Offering under the terms of any Material Agreement, Debt Instrument, or other instrument or document (written or unwritten).

- (yy) *No Significant Acquisitions.* The Corporation has not completed any “significant acquisition” nor is it proposing any “probable acquisitions” (within the meaning of such terms under NI 51-102) that would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Prospectus, or the filing of a “business acquisition report” (as defined in NI 51-102) pursuant to Canadian Securities Laws.
- (zz) *Qualified Investments.* Subject to the qualifications and limitations described under “Eligibility for Investment” in the Final Prospectus, the Offered Securities will be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, a registered disability savings plan and tax free savings accounts.
- (aaa) *U.S. Sales.* The Corporation makes the representations, warranties and covenants applicable to it in Schedule “C” attached hereto and acknowledges that the terms and conditions of the representations, warranties and covenants of the parties contained in Schedule “C” form part of this Agreement.
- (bbb) *Foreign Private Issuer Status.* The Corporation is a “foreign private issuer” as such term is defined in Rule 405 promulgated under the U.S. Securities Act;
- (ccc) *Investment Company Status.* The Corporation is not registered or required to be registered as an “investment company” as defined in the United States Investment Company Act of 1940, as amended;
- (ddd) *COVID-19.* The Offering Documents accurately disclose the material impacts of the novel coronavirus disease outbreak (the “**COVID-19 Outbreak**”) on the Corporation and the Subsidiaries. Except as disclosed in the Offering Documents, there has been no other material closure or suspension to the operations of the Corporation or the Subsidiaries as a result of the COVID-19 Outbreak. The Corporation has been monitoring the COVID-19 Outbreak and the potential impact on the Corporation, the Subsidiaries and their respective operations and has put appropriate control measures in place to minimize the risk to the health of all of their employees where the Corporation and the Subsidiaries operate while continuing to operate;
- (eee) *Data in the Offering Documents.* The statistical, industry and market related data included in the Offering Documents are derived from sources which the Corporation reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived subject to any qualifications set forth in the Offering Documents related thereto;

#### Business, Properties and Assets

- (fff) *Title to Business Assets.* The Corporation and the Subsidiaries have good, valid and marketable title to and have all necessary rights in respect of all of their Business Assets as owned, leased, licensed, loaned, operated, developed or used by them or over which they have rights, free and clear of any Liens, and no other rights or Business Assets are necessary for the conduct of the Business as currently conducted or as proposed to be conducted. The Corporation knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of the Corporation or the Subsidiaries to use, transfer, lease, license, operate, develop, sell or otherwise exploit such Business Assets and the Corporation does not have any obligation to pay any commission, license fee or similar payment to any Person in respect thereof and there are

no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any Person to acquire any of the rights, title or interests in the Business Assets.

- (ggg) *Research and Development.* All product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Corporation and the Subsidiaries in connection with the Business is being conducted in accordance with the Corporation's internal policies, guidelines and protocols, in all material respects, with all Applicable Laws and best industry practices applicable to the Business; all processes, procedures and practices, required in connection with such activities, are in place as necessary to satisfy the Corporation's internal policies, guidelines and protocols and are being complied with, in all material respects.
- (hhh) *Business Relationships.* All agreements with third parties in connection with the Business have been entered into and are being performed by the Corporation and the Subsidiaries, and, to the knowledge of the Corporation, by all other third parties thereto, in material compliance with their terms. There exists no actual or pending, or to the knowledge of the Corporation, any threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Corporation or the Subsidiaries, with any strategic or joint venture partner, supplier, wholesaler, manufacturer, service provider or customer, or any group thereof whose business with or whose purchases from or inventories, components or services provided to the Business of the Corporation or the Subsidiaries are individually or in the aggregate material to the assets, business, properties, operations or financial condition of the Corporation (on a consolidated basis), except where such termination, cancellation or limitation of, or any material adverse modification or material change, individually or in the aggregate, would not have a Material Adverse Effect. All such business relationships are intact and mutually cooperative, and there exists no condition or state of fact or circumstances that would prevent the Corporation or the Subsidiaries from conducting such business with any such third parties in the same manner in all material respects as currently conducted or proposed to be conducted.
- (iii) *Data Security.* The Corporation and each of the Subsidiaries has made back-ups of all material software and databases used by it and maintains such back-ups at a secure off-site location. The Corporation and each of the Subsidiaries have taken all reasonable steps (i) to maintain the integrity and security of its systems and network infrastructure in connection with their Business, and (ii) to protect the information technology and communication systems used in connection with their Business from contamination, corruption, computer viruses, firewall breaches, sabotage, hacking or other software routines or hardware components that would permit unauthorized access or the unauthorized disablement, theft or erasure of its information technology or communication systems or software. The Corporation and the Subsidiaries have disaster recovery and security plans and procedures in place and, to the knowledge of the Corporation, there have been no material unauthorized intrusions into, breaches of the security of, or unauthorized disablement, theft or erasure of, the information technology, communication systems or software used in connection with their Business.
- (jjj) *Privacy Protection.* The Corporation and the Subsidiaries have security measures and safeguards in place, consistent with generally accepted industry practice and Applicable Laws, to protect all personal information they may collect from users of their websites or e-commerce platforms, existing and potential customers and other parties from illegal or unauthorized access or use by them, their personnel or third parties or access or use by them, their personnel or third

parties in a manner that violates the privacy rights of such parties. The Corporation and the Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and none of them have collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by applicable privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation and the Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse.

(kkk) *Licenses.*

- (i) the Corporation and the Subsidiaries possess all Authorizations issued by the appropriate Governmental Entity necessary or required to conduct the business as now operated by the Corporation and the Subsidiaries and as its business will be conducted immediately following the Offering as described in the Offering; provided, however, that this representation and warranty does not include the Controlled Substances Act, 21 USC 801 et seq., as it applies to marijuana (including any implementing regulations and schedules in effect at the relevant time) or any other U.S. federal law the violation of which is predicated upon a violation of the Controlled Substances Act as it applies to marijuana;
- (ii) the Corporation and the Subsidiaries are all in material compliance with the terms and conditions of all such Authorizations;
- (iii) none of the Authorizations contain any burdensome term, provision, condition, or limitation which has or is likely to have any Material Adverse Effect on the Corporation or the Subsidiaries;
- (iv) all of the Authorizations are in good standing, valid, and in full force and effect;
- (v) neither the Corporation nor any of the Subsidiaries have received any notice relating to the cancellation, revocation, limitation, suspension, or adverse modification of any Authorizations; and
- (vi) the Corporation and the Subsidiaries do not anticipate any variation or difficulty in renewing the Authorizations, or any other required licenses, permits, registrations, or qualifications;

(lll) *Intellectual Property.*

- (i) The Corporation and the Subsidiaries own or possess the right to use all patents, patent applications, trademarks, trademark registrations, service marks, service mark registrations, trade names, brand names, franchise rights, copyrights, domain names, licenses, software, inventions, trade secrets, industrial designs, know-how, formulae, processes, inventions and other similar rights and all associated registrations and applications, as they exist anywhere in the world and whether registered or unregistered, including all moral rights (collectively, “**intellectual property**”) necessary for the conduct of the Business as currently conducted or proposed to be conducted. There are no current or pending, and the Corporation is not aware of, any threatened, actions, suits, proceedings, claims or challenges by any other Person to the rights of the Corporation or the Subsidiaries with respect to their intellectual property and the Corporation is not aware of any fact which could form a reasonable basis for any such actions, suits, proceedings, claims or challenges;

- (ii) to the knowledge of the Corporation, the Business as now conducted does not, and as currently proposed to be conducted will not, infringe or conflict with, in any material respect, the intellectual property rights of any Person and no claim has been made against the Corporation or any Subsidiary alleging the infringement by the Corporation or any Subsidiary of any intellectual property rights of any Person. To the knowledge of the Corporation, there is no infringement by third parties of any intellectual property owned by or licensed to the Corporation or the Subsidiaries;
  - (iii) to the extent any intellectual property has been created in whole or in part by current or past employees, consultants or independent contractors of the Corporation or the Subsidiaries, any rights therein of such Persons have been irrevocably assigned in writing to the Corporation or the Subsidiaries, as applicable, and no such Person has asserted any claim in respect of any moral rights in such Person's contribution to such intellectual property or any component thereof and all such moral rights have been waived by such Persons; and
  - (iv) the Corporation and each of the Subsidiaries have implemented and maintained commercially reasonable measures to protect and maintain the confidentiality of all trade secrets and other confidential proprietary information forming part of or in relation to the intellectual property owned or licensed by the Corporation and the Subsidiaries.
- (mmm) *Leased Premises.* With respect to each of the Leased Premises, the Corporation and/or the Subsidiaries occupy the Leased Premises and have the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation or the Subsidiaries occupy the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other Person the right to terminate any such lease or result in any additional or more onerous obligations under such leases.
- (nnn) *Environmental and Workplace Laws.* The Corporation and the Subsidiaries are currently in compliance, in all material respects, with all Environmental Laws and Authorizations, including all reporting and monitoring requirements thereunder, and there are no pending or, to the knowledge of the Corporation, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings under any Environmental Laws relating to the Corporation, the Subsidiaries, any real property owned by the Corporation or the Subsidiaries, or the Leased Premises. Neither of the Corporation nor any Subsidiary has ever received any notice of any non-compliance in respect of Environmental Laws and there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up, remediation or otherwise under Environmental Laws. The premises, facilities and operations of the Corporation and the Subsidiaries have been and are currently being conducted in all material respects in compliance with Environmental Laws, all Authorizations and all applicable workers' compensation and health and safety and workplace laws, regulations and policies.
- (ooo) *Insurance.* The Corporation and each of the Subsidiaries maintain insurance by insurers of recognized financial responsibility, against such losses, risks and damages to their Business Assets in such amounts that are: (i) customary for the business in which they are engaged in, (ii) on a basis consistent with reasonably prudent persons in comparable businesses, and (iii) in compliance with the requirements contained in any Material Agreements and Debt Instruments;

and all of the policies in respect of such insurance coverage, fidelity or surety bonds insuring the Corporation, the Subsidiaries, and their respective directors, officers and employees, and the Business Assets, are in good standing and in full force and effect in all respects, and not in default. The Corporation and each of the Subsidiaries are in compliance with the terms of such policies and instruments in all material respects and there are no material claims by the Corporation or any Subsidiary under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Corporation and the Subsidiaries have no reason to believe that they will not be able to renew such existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue the Business at a cost that would not have a Material Adverse Effect, and neither the Corporation nor any Subsidiary has failed to promptly give any notice of any material claim thereunder.

### Employment Matters

- (ppp) *Employment Laws.* The Corporation and the Subsidiaries are in material compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, workers' compensation, occupational health and safety and pay equity and wages. There are no material claims, complaints, outstanding decisions, orders or settlements or pending claims, complaints, decisions, orders or settlements under any Applicable Laws related to human rights, employment standards, workers' compensation, occupational health and safety or similar laws nor has any event occurred which may give rise to any of the foregoing.
- (qqq) *Employee Plans.* Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Corporation or the Subsidiaries for the benefit of any current or former director, officer, employee or consultant of the Corporation or the Subsidiaries (the "**Employee Plans**") has been maintained in compliance with its terms and with the requirements prescribed by any and all Applicable Laws to such Employee Plans, in each case in all material respects and has been publicly disclosed to the extent required by Canadian Securities Laws.
- (rrr) *Record-Keeping.* All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of the Corporation and each of the Subsidiaries, as applicable.
- (sss) *Labour Matters.* There is not currently any labour disruption, dispute, slowdown, stoppage, complaint or grievance outstanding or pending, or to the knowledge of the Corporation, threatened against the Corporation or any Subsidiary which is adversely affecting or could adversely affect, in a material manner, the carrying on of the business of the Corporation or any Subsidiary and no union representation exists for the employees of the Corporation or any Subsidiary and no collective bargaining agreement is in place or being negotiated by the Corporation or any Subsidiary.

## Section 8 Covenants of the Corporation.

The Corporation covenants and agrees with the Agents, and acknowledges that each of them is relying on such covenants in connection with the offer and sale of the Offered Securities, as follows:

- (1) *Notification of Filings.* The Corporation will advise the Agents, promptly after receiving notice thereof, of the time when the Offering Documents have been filed, as applicable, and receipts, as applicable, therefor have been obtained and will provide evidence reasonably satisfactory to the Agents of each such filing and copies of such receipts.
- (2) *Standstill.* The Corporation will not, directly or indirectly, for a period commencing on the date of this Agreement and ending 90 days after the Closing Date, without the prior written consent of the Lead Agent, on behalf of the Agents, such not to be unreasonably withheld or delayed, issue, sell, offer, grant an option or right in respect of (or agree to or publicly announce an intention to do any of the foregoing) any Subordinated Voting Shares or securities convertible into or exchangeable for Subordinated Voting Shares, other than (i) pursuant to the Offering (including the Over-Allotment Option); (ii) pursuant to the grant or exercise of stock options and other similar issuances pursuant to any stock option or incentive plan or similar share compensation arrangements in place, (iii) pursuant to the exercise of convertible securities, warrants, options or other existing outstanding obligations; or (iv) pursuant to payments and/or other corporate acquisitions announced prior to the date of the Engagement Letter.
- (3) *Maintain Reporting Issuer Status.* The Corporation will use its commercially reasonable best efforts to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws in each of the Qualifying Jurisdictions, to the date that is at least 36 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation.
- (4) *Maintain Stock Exchange Listing.* The Corporation will use its commercially reasonable best efforts to maintain the listing of the Subordinated Voting Shares (including those issuable pursuant to the Offering) on the CSE or such other recognized stock exchange or quotation system as the Agents may approve, acting reasonably, for a period of at least 36 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation.
- (5) *Validly issued Offered Units.* The Corporation will ensure that at the Closing Time that the Offered Units have been duly and validly created, authorized and issued on payment of the Issue Price therefor, and have attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Offering Documents.
- (6) *Validly Issued Shares.* The Corporation will ensure that at the Closing Time the Shares have been duly and validly issued as fully paid and non-assessable Subordinated Voting Shares.
- (7) *Validly Issued Warrants and Warrant Shares.* The Corporation will ensure that at the Closing Time the Warrants are duly and validly created, authorized and issued, and shall have the attributes corresponding to the description thereof set forth in this Agreement, the Offering Documents and the Warrant Indenture. The Corporation will ensure at all times prior to the Expiry Date, that sufficient Warrant Shares are authorized and allotted for issuance upon due and proper exercise of the Warrants, and the Warrant Shares upon their issuance in accordance with the terms of the Warrant Indenture shall be validly issued as fully paid and non-assessable Subordinated Voting Shares.

- (8) *Validly Issued Compensation Options.* The Corporation will ensure at the Closing Time that the Compensation Options are duly and validly created, authorized and issued and shall have the attributes corresponding to the description thereof set forth in this Agreement, the Offering Documents and the Compensation Option Certificates.
- (9) *Validly Issued Compensation Shares.* The Corporation will ensure, at all times prior to the date that is 36 months from the Closing Date, that sufficient Compensation Shares are authorized and allotted for issuance upon due and proper exercise of the Compensation Options, and upon issuance in accordance with the terms of the Compensation Option Certificates, including payment of the exercise price therefor, the Compensation Shares shall be validly issued as fully paid and non-assessable Subordinated Voting Shares.
- (10) *Use of Proceeds.* The Corporation will use the proceeds of the Offering in the manner specified in the Prospectus under the heading “Use of Proceeds”.
- (11) *Lock-Up Agreements.* The Corporation will use its best efforts to cause each of the officers and directors of the Corporation to enter into lock-up agreements in form and substance satisfactory to the Corporation and the Agents, acting reasonably, pursuant to which each such individual will agree, until the date which is 90 days following the Closing Date of the Offering, not to (other than in certain circumstances) without the prior written consent of the Lead Agent (on behalf of the Agents) directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, lend, swap, or otherwise dispose of, transfer, assign, or announce any intention to do so, any Subordinated Voting Shares or any securities convertible into or exchangeable for Subordinated Voting Shares, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Subordinated Voting Shares, whether such transaction is settled by the delivery of Subordinated Voting Shares, other securities, cash or otherwise, other than pursuant to a bona fide take-over bid or any other similar transaction made generally to all of the shareholders of the Corporation, provided that, in the event the change of control or other similar transaction is not completed, such securities shall remain subject to the lock-up agreement.
- (12) *Consents and Approvals.* The Corporation will have made or obtained, as applicable, at or prior to the Closing Time, all consents, approvals, permits, authorizations or filings as may be required by the Corporation under Canadian Securities Laws necessary for the consummation of the transactions contemplated herein, other than customary post-closing filings as may be required to be submitted within the applicable time frame pursuant to Securities Laws and the rules and policies of the CSE.
- (13) *CSE Listing.* The Corporation shall file such documents as may be required by the CSE and under applicable Securities Laws relating to the Offering in accordance with the time periods prescribed under applicable filing requirements, and the Corporation shall use its commercially reasonable efforts to ensure that the Shares, Warrants, Warrant Shares and Compensation Shares are listed on the CSE as of the Closing Date.
- (14) *Closing Conditions.* The Corporation will have, at or prior to the Closing Time, fulfilled or caused to be fulfilled, each of the conditions set out in Section 10 hereof.

## **Section 9 Representations, Warranties and Covenants of the Agents.**

- (1) Each Agent hereby severally, and not jointly, nor jointly and severally, represents and warrants to the Corporation, that:

- (a) *Registration.* The Agents are, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfill its obligations hereunder.
  - (b) *Authority.* The Agents have good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein.
  - (c) *Marketing Materials.* Other than the Marketing Materials, the Agents have not provided any marketing materials to any potential investors in connection with the Offering.
- (2) The Agents hereby severally, and not jointly, nor jointly and severally, covenant and agree with the Corporation, as follows:
- (a) *Jurisdictions.* During the period of distribution of the Offered Units by or through the Agents, the Agents will offer and sell the Offered Units to the public only in the Qualifying Jurisdictions where they may lawfully be offered for sale upon the terms and conditions set forth in the Prospectus and this Agreement, either directly or through its Selling Group. The Agents shall be entitled to assume that the Offered Units are qualified for distribution in any Qualifying Jurisdiction where the Final Receipt shall have been obtained following the filing of the Prospectus.
  - (b) *Compliance with Securities Laws.* The Agents will comply with applicable Securities Laws in connection with the offer and sale and distribution of the Offered Units. The Agents will offer for sale the Offered Units for sale by the Corporation in the United States or to, or for the account or benefit of, U.S. Persons and persons in the United States through their duly-registered U.S. Affiliates pursuant to applicable exemptions from the registration requirements of U.S. Securities Laws, and in such other international Selling Jurisdictions on a private placement basis, in accordance with applicable Securities Laws in such other international Selling Jurisdictions. Any offer for sale or sale of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons will be made solely pursuant to the U.S. Placement Memorandum and in accordance with Schedule “C” to this Agreement.
  - (c) *Sales.* The Agents will not, directly or indirectly, solicit offers to sell or sell the Offered Units or deliver any Offering Document to purchasers so as to require registration of the Offered Units or the filing of a prospectus or registration statement with respect to the Offered Units under the Applicable Laws of any jurisdiction other than the Qualifying Jurisdictions.
  - (d) *Completion of Distribution.* The Agents will use their commercially reasonable best efforts to complete the distribution of the Offered Units as promptly as possible after the Closing Time. The Lead Agent will notify the Corporation when the Agents have ceased the distribution of the Offered Units and, within 30 days after the Closing Date, will provide the Corporation, in writing, with a breakdown of the number of Offered Units distributed (i) in each of the Qualifying Jurisdictions, and (ii) in any other Selling Jurisdictions.
  - (e) *Liability on Default.* No Agent shall be liable to the Corporation under this Section 9 with respect to a breach or default contained in this Agreement by any other Agent, such other Agent’s U.S. Affiliates or any Selling Firm appointed by such other Agent, as the case may be.

## Section 10      Conditions of Closing.

The Agents' obligation to complete the Closing pursuant to this Agreement (including the obligation to arrange for the purchase and sale of the Offered Units at the Closing Time) shall be subject to the following conditions having been met at the Closing Time:

- (1) *Corporate and Securities Laws Opinions of the Corporation.* The Agents receiving favourable legal opinions from McMillan LLP, legal counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, on the opinions of local counsel acceptable to counsel to the Agents as to the qualification of the Offered Units for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the provinces in which they are qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, public and exchange officials or of the Auditors or Transfer Agent of the Corporation), addressed to the Agents and the Purchasers, substantially to the effect set forth below, subject to customary assumptions, qualifications and limitations:
  - (a) the Corporation is a corporation validly incorporated and existing under the Act and has all requisite corporate power and capacity to carry on business and to own and lease properties and assets;
  - (b) the Corporation being a "reporting issuer" not included on the list of issuers in default in the Provinces of Canada, other than Quebec;
  - (c) the authorized and issued capital of the Corporation;
  - (d) the Corporation has all necessary corporate power and authority to (i) execute, deliver and perform its obligations under the Transaction Documents, (ii) to create, issue and sell, as applicable, the Offered Securities and the Compensation Securities, and (iii) to grant the Over-Allotment Option;
  - (e) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of the Transaction Documents and the performance of its obligations thereunder and each of the Transaction Documents has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against it in accordance with its terms;
  - (f) the execution and delivery of the Transaction Documents and the fulfilment of the terms thereof by the Corporation and the issuance, sale and delivery of the Offered Securities, the Compensation Securities by the Corporation at the Closing Time and the grant of the Over-Allotment Option, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with the notice of articles and articles of the Corporation, any resolutions of the shareholders or directors (including committees of the board of directors) of the Corporation, or any applicable corporate law or Canadian Securities Laws;
  - (g) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus, the First Amended Preliminary Prospectus, the Second Amended Preliminary Prospectus and the Final Prospectus (and any Supplementary Material) and the filing thereof with the Securities Commissions in the Qualifying Jurisdictions;

- (h) the Shares have been duly and validly issued as fully paid and non-assessable Subordinated Voting Shares;
- (i) the Warrants have been duly and validly created and issued;
- (j) the Warrant Shares have been duly and validly authorized and allotted for issuance and, upon the due exercise of the Warrants in accordance with the provisions of the Warrant Indenture, including payment of the exercise price therefor, the Warrant Shares will be validly issued as fully paid and non-assessable Subordinated Voting Shares;
- (k) the Compensation Options have been duly and validly created and issued;
- (l) the Compensation Shares have been duly and validly authorized and allotted for issuance and, upon the due exercise of the Compensation Options in accordance with the provisions of the Compensation Option Certificates, including payment of the exercise price therefor, the Compensation Shares will be validly issued as fully paid and non-assessable Subordinated Voting Shares;
- (m) the form and terms of the Compensation Option Certificates have been approved by the directors of the Corporation;
- (n) all necessary documents have been filed, all necessary proceedings have been taken and all necessary authorizations, approvals, permits, consents and orders have been obtained under Canadian Securities Laws to qualify the distribution to the public of the Offered Units in the Qualifying Jurisdictions by or through persons who are duly registered under the applicable Canadian Securities Laws and who have complied with the relevant provisions of such applicable Canadian Securities Laws, to qualify the issuance of the Compensation Options and the grant of the Over-Allotment Option to the Agents;
- (o) the issuance by the Corporation of the (i) Warrant Shares upon the due exercise of the Warrants and (ii) Compensation Shares upon the due exercise of the Compensation Options, is exempt from, or is not subject to, the prospectus and registration requirements of the Canadian Securities Laws of the Qualifying Jurisdictions and no prospectus or other documents are required to be filed, proceedings taken, or approvals, permits, consents or authorizations obtained under the Canadian Securities Laws of the Qualifying Jurisdictions in connection therewith;
- (p) the first trade in or resale of the Warrant Shares and Compensation Shares is exempt from, or is not subject to, the prospectus requirements of the Canadian Securities Laws of the Qualifying Jurisdictions and no filing, proceeding or approval will need to be made, taken or obtained under such laws in connection with any such trade, provided that the trade is not a “control distribution” (as defined in NI 45-102) and the Corporation is a reporting issuer at the time of the trade;
- (q) subject to the qualifications and assumptions set out therein, the statements set forth in the Final Prospectus under the caption “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations”, insofar as they purport to describe the provisions of the laws referred to therein, are fair summaries of the matters discussed therein;
- (r) subject only to the Standard Listing Conditions, the Shares, Warrants, Warrant Shares and Compensation Shares have been conditionally approved for listing on the CSE;

- (s) Odyssey Trust Company is the duly appointed registrar and transfer agent for the Subordinated Voting Shares and the duly appointed warrant agent for the Warrants; and
  - (t) to such other matters as may reasonably be requested by the Agents prior to the Closing Time; in form and substance acceptable to the Agents and their counsel, acting reasonably.
- (2) *Subsidiary Corporate Opinions.* The Agents receiving favourable legal opinions from counsel to the Corporation, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Corporation regarding the Corporation, addressed to the Agents and the Purchasers in form and substance acceptable to the Agents and their counsel, acting reasonably, substantially to the effect set out below:
- (a) each Subsidiary having been incorporated and existing under its jurisdiction of incorporation;
  - (b) each Subsidiary having the requisite corporate power and capacity under the laws of its jurisdiction of incorporation to carry on business and to own and lease its properties and assets; and
  - (c) as to the authorized and issued share capital of each Subsidiary and to the ownership thereof.
- (3) *U.S. Regulatory Opinions.* The Agents receiving favourable regulatory opinions from the Corporation's U.S. regulatory counsel, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Corporation regarding the Corporation, addressed to the Agents and the Purchasers in form and substance acceptable to the Agents and their counsel, acting reasonably, substantially to the effect that each of the Corporation and the Subsidiaries is in compliance with applicable Arizona and Wyoming state cannabis laws;
- (4) *U.S. Securities Opinion.* If any Offered Units are being sold in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States pursuant to Schedule "C" to this Agreement, the Agents shall have received an opinion from the U.S. legal counsel to the Corporation, addressed to the Agents, in form and substance reasonably satisfactory to the Agents, to the effect that registration under the U.S. Securities Act is not required in connection with the offer of the Offered Units by the Agents through their U.S. Affiliates for sale by the Corporation, provided that such offers and sales are made in compliance with Schedule "C" to this Agreement and provided further that it being understood that no opinion is expressed as to any subsequent resale of any Offered Units.
- (5) *Officers' Certificate.* The Agents receiving a certificate dated the Closing Date and signed by two senior officers of the Corporation as may be acceptable to the Agents, acting reasonably, in form and substance satisfactory to the Agents, acting reasonably, with respect to:
- (a) the constating documents of the Corporation;
  - (b) the resolutions of the directors of the Corporation relevant to the Offering Documents, the sale (as applicable) and issuance of the Offered Securities and the Compensation Securities, the grant of the Over-Allotment Option and the authorization of the Transaction Documents and the transactions contemplated herein and therein; and
  - (c) the incumbency and signatures of signing officers for the Corporation.

- (6) *Certificates of Status.* The Agents receiving certificates of good standing, status and/or compliance, where issuable under applicable law, for the Corporation and each of the Subsidiaries.
- (7) *Officers' Bring Down Certificate.* The Agents receiving a certificate dated the Closing Date and signed by the Chief Executive Officer and the Chief Financial Officer or such other senior officer(s) of the Corporation as may be acceptable to the Agents, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiries, that:
- (a) the representations and warranties of the Corporation contained in this Agreement, and in any certificates of the Corporation delivered pursuant to or in connection with this Agreement, are true and correct in all material respects (except for representations and warranties that are qualified as to materiality or Material Adverse Effect, which shall be true and correct in all respects) as of the Closing Time as if such representations and warranties were made as at the Closing Time, after giving effect to the transactions contemplated hereby;
  - (b) the Corporation has complied in all material respects with all the covenants and satisfied in all material respects all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;
  - (c) no order, ruling or determination having the effect of suspending the sale or ceasing the trading or prohibiting the sale of the Subordinated Voting Shares or any other securities of the Corporation or prohibiting the sale of the Offered Units or any other securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any regulatory authority;
  - (d) since the respective dates as of which information is given in the Final Prospectus (i) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), prospects or capital of the Corporation on a consolidated basis, and (ii) no transaction has been entered into by the Corporation or either of the Subsidiaries which is material to the Corporation on a consolidated basis, other than as disclosed in the Final Prospectus or the Supplementary Material, as the case may be; and
  - (e) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Final Prospectus which fact or change is, or may be, of such a nature as to render any statement in the Final Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Final Prospectus or which would result in the Final Prospectus not complying with applicable Canadian Securities Laws.
- (8) *Auditor Bring Down Letter.* The Agents receiving the auditor "bring down" comfort letter dated the Closing Date from the Auditors, in form and substance satisfactory to the Agents, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 4(d) hereof.
- (9) *Transfer Agent Certificate.* The Agents receiving a certificate from the Transfer Agent with respect to its appointment as transfer agent and registrar of the Subordinated Voting Shares and the number of Subordinated Voting Shares issued and outstanding as at the end of business on the date prior to the Closing Date.

- (10) *Warrant Agent Certificate.* The Agents receiving a certificate from the Warrant Agent as to the appointment as the warrant agent of the Warrants.
- (11) *Warrant Indenture.* The Agents receiving an executed copy of the Warrant Indenture.
- (12) *Lock-Up Agreements.* The Agents receiving executed copies of all the lock-up agreements required by the Agents pursuant to Section 8(11);
- (13) *Consents and Approvals.* The Corporation will have made and/or obtained all necessary filings, approvals, permits, consents and acceptances to or from, as the case may be, the board of directors, the Securities Regulators, the CSE and any other applicable person required to be made or obtained by the Corporation in connection with the transactions contemplated by this Agreement, on terms which are acceptable to the Corporation and the Agents, acting reasonably, prior to the Closing Date, it being understood that the Agents will do all that is reasonably required to assist the Corporation to fulfil this condition.
- (14) *Stock Exchange Approval.* Subject only to satisfaction by the Corporation of the Standard Listing Conditions, the Shares, Warrants, Warrant Shares and Compensation Shares will, at the opening of trading on the CSE on the Closing Date be listed and posted for trading on the CSE.
- (15) *Other Documents.* The Agents having received such further certificates, opinions of counsel and other documentation from the Corporation contemplated herein, provided, however, that the Agents or their counsel shall request any such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Corporation to obtain and deliver such certificate, opinion or document.
- (16) *No Exercise of Termination Rights.* The Agents not having exercised any rights of termination set forth herein.

#### **Section 11 Closing.**

- (1) *Location of Closing.* Closing of the Offering will be completed electronically, and concurrently at the offices of McMillan LLP in Vancouver, British Columbia and Cassels Brock & Blackwell LLP in Toronto, Ontario at the Closing Time.
- (2) *Deliveries.* At the Closing Time, subject to the terms and conditions contained in this Agreement, the following shall occur: (i) the Lead Agent (on behalf of the Agents) shall pay the aggregate Issue Price for the Offered Securities being issued and sold hereunder, net of the Commission and expenses of the Agents payable by the Corporation as set out in this Agreement, by wire transfer or certified cheque, (ii) the Corporation shall duly and validly deliver the Offered Units in electronic or certificated form, registered as directed by the Agents in writing not less than 24 hours prior to the Closing Time, and (iii) the Corporation shall register and issue the Compensation Options as directed by the Lead Agent (on behalf of the Agents).

#### **Section 12 Closing of the Over-Allotment Option.**

- (1) *Written Notice of Exercise.* The Over-Allotment Option may be exercised for a period of 30 days from and including the Closing Date. The Lead Agent, on behalf of the Agents, shall provide written notice to the Corporation of their election to exercise the Over-Allotment Option, which notice will set forth: (i) the aggregate number of Additional Securities to be issued and sold; and (ii) the closing date for the issue and sale of the Additional Securities (the “**Option Closing Date**”), provided that such closing date

shall not be a date that is less than three Business Days and no more than seven Business Days following the date of such notice, and in any event not later than the 30th day following the Closing Date.

- (2) *Closing.* The offer and sale of the Additional Securities, if required, shall be completed at such time and place as the Agents and the Corporation may agree, and in accordance with Section 12(1) above.
- (3) *Securities.* At the closing of the Over-Allotment Option, subject to the terms and conditions contained in this Agreement, the Corporation shall deliver to the Agents the Additional Securities in electronic or certificated form, registered as directed by the Lead Agent (on behalf of the Agents), against payment to the Corporation by the Agents of the aggregate Issue Price for the Additional Securities being issued and sold by wire transfer or certified cheque, net of the Commission and any expenses of the Agents payable by the Corporation as set out in this Agreement.
- (4) *Deliveries.* The applicable terms, conditions and provisions of this Agreement (including the provisions of Section 10 relating to closing deliveries) shall apply *mutatis mutandis* to the Closing of the issuance of any Additional Securities pursuant to any exercise of the Over-Allotment Option.
- (5) *Adjustments.* In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its Subordinated Voting Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the Issue Price and to the number of Additional Securities issuable on exercise thereof such that the Agents are entitled to arrange for the sale of the same number and type of securities that the Agents would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

### **Section 13 Indemnification and Contribution.**

- (1) The Corporation and its subsidiaries and their respective affiliated companies, as the case may be (collectively, the “**Indemnitor**”) agrees to indemnify and hold harmless each of the Agents and each of their subsidiaries and affiliates, and each of their respective directors, officers, employees, partners, shareholders, agents, each other person, if any, controlling the Agents or any of their subsidiaries or affiliates (collectively, the “**Indemnified Parties**” and each, an “**Indemnified Party**”), to the full extent lawful, from and against all expenses, fees, losses (other than loss of profits), claims, actions (including shareholder actions, derivative actions or otherwise), damages (other than consequential damages), obligations and liabilities, joint or several, of any nature (including without limitation the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their respective counsel and other expenses, but not including any amount for lost profits) (collectively, “**Losses**”) that are incurred in investigating, advising with respect to, defending and/or settling any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party (collectively, the “**Claims**”) or to which an Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as the Claims arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection with the matters referred to in this Agreement, together with any Losses that are incurred in enforcing this indemnity. This indemnity shall not be available to an Indemnified Party in respect of Losses incurred where a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses resulted solely from the fraud, gross negligence or willful misconduct of the Indemnified Party in the course of the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder.

- (2) If for any reason (other than a determination as to any of the events referred to immediately above) this indemnity is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any Claim, the Indemnitor shall contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the Losses paid or payable by an Indemnified Party as a result of such Claim, the amount (if any) equal to (i) such amount paid or payable, minus (ii) the amount of the Commission received by the Indemnified Party, if any, pursuant to this Agreement. In the event that the Indemnitor may be entitled to contribution from the Indemnified Parties under the provisions of any statute or law, the Indemnitor shall be limited to contribution in any amount not exceeding the lesser of the portion of the Losses giving rise to such contribution for which the Agents are responsible and the amount of the Commission received by the Agents.
- (3) The Indemnitor agrees that in case any legal proceeding shall be brought against, or an investigation is commenced in respect of, the Indemnitor and/or an Indemnified Party and an Indemnified Party or its personnel are required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and out-of-pocket expenses incurred by the personnel of the Indemnified Party in connection therewith) shall be paid by the Indemnitor as they occur.
- (4) The Agents will notify the Indemnitor promptly in writing after receiving notice of any Claim against the Agents or any other Indemnified Party or receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor hereunder, stating the particulars thereof, will provide copies of all relevant documentation to the Indemnitor and, unless the Indemnitor assumes the defence thereof, will keep the Indemnitor advised of the progress thereof and will discuss all significant actions proposed. The omission to so notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor may have to an Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such Claim or results in any material increase in the liability under this indemnity which the Indemnitor would otherwise have incurred had the Agents not so delayed in giving, or failed to give, the notice required hereunder.
- (5) The Indemnitor shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence or settlement of any Claim within 14 days after receipt of notice of a Claim, through counsel of their own choosing and at their own expense. Upon the Indemnitor notifying the Agents in writing of its election to assume the defence and retaining counsel, the Indemnitor shall not be liable to an Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such defence is not assumed by the Indemnitor, the Indemnified Parties, throughout the course thereof, shall provide copies of all relevant documentation to the Indemnitor, shall keep the Indemnitor advised of the progress thereof and shall discuss with the Indemnitor all significant actions proposed. If such defence is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to the Agents, will keep the Agents advised of the progress thereof and will discuss with the Agents all significant actions proposed.

- (6) Notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defence of any Claim if: (i) the employment of such counsel has been authorized by the Indemnitor; (ii) the Indemnitor has not assumed the defence and employed counsel therefor promptly after receiving notice of the Claim and in any event within 14 days; or (iii) counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnitor or that there is a conflict of interest between the Indemnitor and the Indemnified Party or the subject matter of the Claim may not fall within the indemnity set forth herein (in any of which events the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf), provided that the Indemnitor shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties.
- (7) No admission of liability and no settlement, compromise, consent to the entry of any judgment or termination of any Claim shall be made by the Indemnitor without the prior written consent of the Indemnified Parties affected and unless the Indemnitor has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.
- (8) The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights an Indemnified Party may have at common law or otherwise.
- (9) The Indemnitor agrees to waive any right the Indemnitor may have of first requiring the Indemnified Party to proceed against or enforce any right, power, remedy, security or claim payment from any other Person before claiming under this indemnity. The Indemnitor also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Indemnitor or any person asserting Claims on behalf of or in right of the Indemnitor for or in connection with the performance of professional services rendered hereunder or otherwise in connection with the matters referred to in this Agreement,
- (10) The Indemnitor hereby acknowledges that the Agents are acting as trustees for each of the other Indemnified Parties of the Indemnitor's covenants under this indemnity and the Agents agree to accept such trust and to hold and enforce such covenants on behalf of such Persons.
- (11) The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties who are not signatories hereto and shall be binding upon and enure to the benefit of any successors, permitted assigns, heirs and personal representatives of the Indemnitor and the Indemnified Parties. The foregoing provisions shall survive any termination of this Agreement or the completion of the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder.

#### **Section 14 Compensation of the Agents.**

In consideration of the services to be rendered by the Agents in connection with the Offering, the Corporation shall pay to the Lead Agent, on behalf of the Agents, at the Closing Time, a cash fee (the "**Commission**") equal to 7.0% of the aggregate gross proceeds of the Offering (including for certainty on any exercise of the Over-Allotment Option). The Corporation shall also issue to the Agents that number of transferable compensation

options (the “**Compensation Options**”) equal to 7.0% of the aggregate number of Offered Units sold pursuant to the Offering (including for certainty on any exercise of the Over-Allotment Option). Each Compensation Option will entitle the holder thereof to acquire one Subordinated Voting Share (a “**Compensation Share**”) at the Issue Price for a period of 36 months following the Closing Date. The obligation of the Corporation to pay the Commission and to execute and deliver the Compensation Option Certificates shall arise at the Closing Time.

The Agents acknowledge that none of the Compensation Securities have been registered under the U.S. Securities Act or the securities laws of any state of the United States. In connection with the issuance of the Compensation Securities, each of the Agents represents, warrants and covenants that (i) it is acquiring the Compensation Securities as principal for its own account and not for the benefit of any other person; (ii) it is not a U.S. Person and is not acquiring the Compensation Securities in the United States, or on behalf of a U.S. Person or a person located in the United States; and (iii) this Agreement was executed and delivered outside the United States. The Agents acknowledge and agree that the Compensation Options may not be exercised in the United States or by or on behalf or for the benefit of a U.S. Person or a person in the United States, unless such exercise is not subject to registration under the U.S. Securities Act or the securities laws of any state of the United States. The Agents agree that they will not engage in any Directed Selling Efforts with respect to any Compensation Securities and will not offer or sell any Compensation Securities in the United States unless in compliance with an exemption or an exclusion from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

#### **Section 15 Expenses.**

Whether or not the Offering is completed, the Corporation shall pay all reasonable costs, expenses and fees in connection with the Offering, including all expenses of or incidental to the creation, issue, sale or distribution of the Offered Units and all other matters in connection with the transactions set out in this Agreement, including the fees and expenses payable in connection with the qualification of the Offered Units for distribution, the fees and expenses of the Corporation’s counsel, including of the Corporation’s local counsel, the fees and expenses of the Auditors, the Warrant Agent, the Transfer Agent, and all costs, expenses and fees incurred by the Agents in connection with the Offering, including all reasonable fees and expenses and applicable taxes thereon of legal counsel to the Agents (up to a maximum set forth in the Engagement Letter, exclusive of disbursements and applicable taxes) and all other reasonable “out-of-pocket expenses” of the Agents. All such costs, expenses and fees payable by the Corporation to the Agents may be deducted from the gross proceeds of the sale of the Offered Units otherwise payable to the Corporation on the Closing Date, provided that invoices or other satisfactory documentation are provided to the Corporation upon request at or prior to the Closing or as soon as practicable thereafter.

#### **Section 16 All Terms to be Conditions.**

The Corporation agrees that the conditions contained in this Agreement will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation and each of the Corporation and the Agents will use its respective commercially reasonable efforts to cause all such conditions to be complied with. It is understood that the Agents may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Agents in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agents any such waiver or extension must be in writing.

## Section 17 Termination by Agents in Certain Events.

- (1) Each Agent shall also be entitled to terminate and cancel, without any liability on the part of such Agent or on the part of the other Agents and the Purchasers, all of its obligation (and those of any Purchasers arranged by it) under this Agreement, by written notice to that effect given to the Corporation at or prior to the Closing Time if:
- (a) *Material Change Out* - there shall occur or come into effect any material change in the business, affairs or financial condition or financial prospects of the Corporation or the Subsidiaries, or any change in a material fact or new material fact shall arise, or there should be discovered any previously undisclosed material fact which, in each case, in the reasonable opinion of the Agents (or any one of them) has or would be expected to have a significant adverse effect on the market price or value or marketability of the Offered Units;
  - (b) *Disaster Out* - there should develop, occur or come into effect or existence any event, action, state or condition (including without limitation, terrorism or accident) or major financial, political or economic occurrence of national or international consequence or any action, government, law, regulation, inquiry or other occurrence of any nature, which in the sole opinion of the Agents (or any one of them), seriously adversely affects or involves or may seriously adversely affect or involve the financial markets in Canada or the United States or the business, operations or affairs of the Corporation and the Subsidiaries taken as a whole or the marketability of the Offered Securities;
  - (c) *Regulatory Proceedings Out* - (i) any inquiry, action, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or any order is made or issued under or pursuant to any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including without limitation the CSE or any securities regulatory authority) or there is a change in any law, rule, regulation or the interpretation or administration thereof, which, in the reasonable opinion of the Agents (or any one of them), operates to prevent, restrict or otherwise materially adversely affect the distribution or trading of the Offered Units; or (ii) any order, shall have been made or threatened to cease or suspend trading in the Subordinated Voting Shares, or to otherwise prohibit or restrict in any manner the distribution or trading of any securities of the Corporation, or proceedings are announced or commenced for the making of any such order by any securities regulatory authority or similar regulatory or judicial authority or the CSE;
  - (d) *Market Out* - the state of the financial markets in Canada, the United States or elsewhere where it is planned to market the Offered Units is such that in the reasonable opinion of the Agents (or any one of them), it would be impractical or unprofitable to offer or continue to offer the Offered Units for sale;
  - (e) *Breach Out* - the Corporation is in breach of any material term, condition or covenant of this Agreement that may not be reasonably expected to be remedied prior to the Closing Time or any representation or warranty given by the Corporation in this Agreement becomes or is false; or
  - (f) *Due Diligence Out* - the Agents (or any one of them) are not satisfied in their sole discretion with their due diligence review and investigations in respect of the Corporation.

- (2) If this Agreement is terminated by any of the Agents pursuant to Section 17(1), there shall be no further liability on the part of such Agent or of the Corporation to such Agent, except in respect of any liability which may have arisen or may thereafter arise under Section 13 and Section 15.
- (3) The right of the Agents or any of them to terminate their respective obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Agent under this Section 17 shall not be binding upon the other Agents.

**Section 18 Syndication of the Agents.**

- (1) Subject to the terms and conditions hereof, the obligation of the Agents hereunder shall be several and neither joint nor joint and several. The sale of the Offered Securities by the Agents in connection with the Offering shall be in accordance with the following percentages:

Beacon Securities Limited	80%
Canaccord Genuity Corp.	20%

- (2) If any of the Agents shall not complete the sale of its applicable percentage of the aggregate amount of the Offered Units at the Closing Time for any reason whatsoever, including by reason of Sections 16 or 17, the other Agents shall have the right, but shall not be obligated, to sell the Offered Units which would otherwise have been sold by the Agent which fails to sell such Offered Securities.

**Section 19 Right of First Refusal.**

Subject to raising a minimum amount of \$5,000,000 under the Offering (excluding any proceeds raised from investors sourced by the Company), the Corporation hereby grants the Lead Agent a right of first offer to act for the Corporation as lead manager, agent or underwriter in connection with any offering of equity or debt securities of the Corporation (with a minimum economic interest of 60%) for a period of 12 months from the Closing Date. The terms and conditions relating to any such engagement will be set forth in a separate engagement letter, agency agreement or underwriting agreement and the fees for such services will be in addition to the fees payable hereunder, will be negotiated separately and in good faith and will be consistent with fees paid to Canadian investment bankers for similar services. If the Lead Agent does not accept the terms and conditions contained in the Corporation's offer within five Business Days following receipt of written notification from the Corporation of the intention to engage in such a transaction, the Corporation may engage any other financial institution as lead manager, agent or underwriter in connection with such transaction, provided that the terms and conditions of any such engagement shall be no more favourable to such other financial institution as the terms and conditions offered by the Corporation to the Lead Agent.

**Section 20 Notices.**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered,

- (a) in the case of the Corporation, to:

VEXT Science, Inc.  
 2250 – 1055 West Hastings Street  
 Vancouver, British Columbia V6E 2E9

Attention: Eric Offenberger, Chief Executive Officer  
Email: eric@vextscience.com

with a copy to (which will not constitute delivery):

McMillan LLP  
Royal Centre, Suite 1500  
1055 West Georgia Street  
Vancouver, British Columbia V6E 4N7

Attention: James Munro  
Email: james.munro@mcmillan.ca

(b) in the case of the Agents, to the Lead Agent (on behalf of the Agents) at:

Beacon Securities Limited  
66 Wellington Street West, Suite 4050  
Toronto, Ontario M5K 1H1

Attention: Mario Maruzzo, Managing Director, Investment Banking  
Email: mmaruzzo@beaconsecurities.ca

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

Attention: Steve Winokur, Managing Director, Investment Banking  
Email: swinokur@cgf.com

with a copy to (which will not constitute delivery):

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

Attention: Sean Maniaci  
Email: smaniaci@casselsbrock.com

or to such other address as any of the parties may designate by notice given to the others.

The Corporation and the Agents may change their respective addresses for notices by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, shall be given by electronic transmission and shall be deemed to have been given when: (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered or given by electronic transmission on the first Business Day following the day on which it is sent.

## Section 21      **Miscellaneous.**

- (1) *Actions of Agents.* Except with respect to Section 13, Section 17 and Section 18, all transactions and notices on behalf of the Agents hereunder or contemplated hereby may be carried out or given on behalf of the Agents by the Lead Agent, as the case may be, and the Agents shall in good faith discuss with each other the nature of any such transactions and notices prior to giving effect thereto or the delivery thereof, as the case may be.
- (2) *Successors and Assigns.* This Agreement shall enure to the benefit of, and shall be binding upon, the Agents and the Corporation and their respective successors and legal representatives, and except as may be provided herein, shall not be assignable by any party without the written consent of the others.
- (3) *Governing Law.* This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (4) *Time of the Essence.* Time shall be of the essence hereof and, following any waiver or indulgence by any party, time shall again be of the essence hereof.
- (5) *Interpretation.* The words, “hereunder”, “hereof” and similar phrases mean and refer to the Agreement.
- (6) *Survival.* All representations, warranties, covenants and agreements of the Corporation and/or the Agents herein contained or contained in documents submitted pursuant to this Agreement and in connection with the transaction of offer and sale herein contemplated shall survive for a period ending on the date that is three years following the Closing Date. Notwithstanding the preceding sentence, Section 13 shall survive the offer and sale of the Offered Securities and the termination of this Agreement and shall continue in full force and effect for the benefit of the Agents or the Corporation, as the case may be, regardless of any subsequent disposition of the Offered Units or any investigation by or on behalf of the Agents with respect thereto without limitation other than any limitation requirements of applicable law. The Agents and the Corporation shall be entitled to rely on the representations and warranties of the Corporation or the Agents, as the case may be, contained herein or delivered pursuant hereto notwithstanding any investigation which the Agents or the Corporation may undertake or which may be undertaken on their behalf.
- (7) *Electronic Copies.* Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.
- (8) *Severability.* If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- (9) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.
- (10) *Several and Not Joint.* In performing their respective obligations under this Agreement, the Agents shall be acting severally and not jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Agents.

- (11) *Market Stabilization Activities.* In connection with the distribution of the Offered Units, the Agents (or any of them) may effect transactions which stabilize or maintain the market price of the Subordinated Voting Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Agents at any time.
- (12) *No Fiduciary Duty.* The Corporation acknowledges that in connection with the Offering, each of the Agents: (i) have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Corporation or any other person, (ii) owe the Corporation only those duties and obligations set forth in this Agreement, and (iii) may have interests that differ from those of the Corporation. The Corporation waives to the full extent permitted by applicable law any claims it may have against the Agents arising from an alleged breach of fiduciary duty in connection with the Offering.
- (13) *Other Agent Business.* The Corporation acknowledges that each Agent and certain of its affiliates: (i) act as an investment fund manager and a trader of, and dealer in, securities both as principal and on behalf of its clients (including managed accounts and investment funds) and, as such, may in the future have, long or short positions in the securities of the Corporation or related entities and, from time to time, may have executed or may execute transactions on behalf of such Persons; (ii) may provide research or investment advice or portfolio management services to clients on investment matters, including the Corporation; (iii) may participate in securities transactions on a proprietary basis, including transactions in the Offering or other securities of the Corporation or related entities; and (iv) nothing herein shall restrict their ability to conduct business in the ordinary course and in compliance with applicable laws.
- (14) *Entire Agreement.* This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings in respect of the Offering, including the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.
- (15) *Further Assurances.* Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

If this Agreement accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this Agreement where indicated and returning them to us.

**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]**

Yours very truly,

**BEACON SECURITIES LIMITED**

By: (signed) "Mario Maruzzo"  
Name: Mario Maruzzo  
Title: Managing Director, Investment Banking

**CANACCORD GENUITY CORP.**

By: (signed) "Steve Winokur"  
Name: Steve Winokur  
Title: Managing Director, Investment Banking

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

**VEXT SCIENCE, INC.**

By: (signed) "Eric Offenberger"  
Eric Offenberger  
Chief Executive Officer

**SCHEDULE "A"**  
**SUBSIDIARIES**

*This is Schedule "A" to the agency agreement dated as of October 27, 2020 between VEXT Science, Inc. and Beacon Securities Inc. and Canaccord Genuity Corp.*

<b>Name of Subsidiary</b>	<b>Jurisdiction</b>	<b>Authorized and Issued Capital</b>	<b>Ownership Information</b>
New Gen Holdings, Inc.	Wyoming, USA	7,395,461 Class A Common Stock; 625,287 Class B Common Stock	100% by the Corporation
Step 1 Consulting, LLC	Delaware, USA	N/A	100% by New Gen Holdings, Inc.
New Gen Admin Services, LLC	Arizona, USA	N/A	100% by New Gen Holdings, Inc.
New Gen Agricultural Services, LLC	Arizona, USA	N/A	100% by New Gen Holdings, Inc.
New Gen Real Estate Services, LLC	Arizona, USA	N/A	100% by New Gen Holdings, Inc.
Hydroponics Solutions, LLC	Arizona, USA	N/A	100% by New Gen Holdings, Inc.
X-Tane, LLC	Arizona, USA	N/A	100% by New Gen Holdings, Inc.
Pure Touch Botanicals, LLC	Arizona, USA	N/A	100% by Hydroponics Solutions, LLC
Vapen, LLC	Arizona, USA	N/A	100% by Hydroponics Solutions, LLC
Vapen CBD, LLC	Arizona, USA	N/A	100% by Hydroponics Solutions, LLC
RDF Management, LLC	Arizona, USA	N/A	100% by New Gen Holdings, Inc.
Firebrand LLC	Arizona, USA	N/A	100% by New Gen Holdings, Inc.

## SCHEDULE "B"

### **DETAILS OF OUTSTANDING CONVERTIBLE SECURITIES AND RIGHTS TO ACQUIRE SECURITIES**

*This is Schedule "B" to the agency agreement dated as of October 27, 2020 between VEXT Science, Inc. and Beacon Securities Limited and Canaccord Genuity Corp.*

#### **1. Stock Options Outstanding as at October 27, 2020**

The Corporation has 2,066,334 stock options outstanding, each exercisable for one Subordinated Voting Share. The outstanding stock options are exercisable at prices between \$0.75 and \$1.00 per Subordinated Voting Share and expire between January 3, 2019 and May 12, 2030.

#### **2. Warrants Outstanding as at October 27, 2020**

The Corporation has 980,210 share purchase warrants and 1,000,000 special advisory warrants outstanding, each exercisable for one Subordinated Voting Share, each exercisable at a price of \$1.00 per Subordinated Voting Share and expiring on December 21, 2021 and December 31, 2024, respectively.

## SCHEDULE "C"

### COMPLIANCE WITH UNITED STATES SECURITIES LAWS

*This is Schedule "C" to the agency agreement dated as of October 27, 2020 between VEXT Science, Inc. and Beacon Securities Limited and Canaccord Genuity Corp.*

Capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Agency Agreement to which this Schedule "C" is annexed.

The following terms shall have the meanings indicated:

- (d) **"Directed Selling Efforts"** means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "C", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Securities and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Securities;
- (e) **"Disqualification Event"** means any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D;
- (f) **"Foreign Issuer"** means "foreign issuer" as defined in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means any issuer which is (i) the government of any country other than the United States or of any political subdivision of a country other than the United States; or (ii) a corporation or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (2) any of the following: (a) the majority of the executive officers or a majority of the directors are United States citizens or residents, (b) more than 50 percent of the assets of the issuer are located in the United States, or (c) the business of the issuer is administered principally in the United States;
- (g) **"General Solicitation"** and **"General Advertising"** means "general solicitation" or "general advertising", as those terms are used under Rule 502(c) of Regulation D. Without limiting the foregoing, but for greater clarity, general solicitation or general advertising includes, but is not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or on the internet, or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
- (h) **"Offshore Transaction"** means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;

- (i) **“Qualified Institutional Buyer Letter”** means the Supplemental Qualified Institutional Buyer Letter in the form attached as Exhibit II to the U.S. Placement Memorandum;
- (j) **“Substantial U.S. Market Interest”** means substantial U.S. market interest as that term is defined in Rule 902(j) of Regulation S;
- (k) **“U.S. Purchaser”** means any Purchaser of Offered Securities that is, or is acting for the account or benefit of, a U.S. Person or a person in the United States, or any person offered the Offered Securities in the United States (except persons excluded from the definition of U.S. Person pursuant to Rule 902(k)(2)(vi) of Regulation S or persons holding accounts excluded from the definition of U.S. Person pursuant to Rule 902(k)(2)(i) of Regulation S), or that was in the United States when the buy order was made or when the U.S. Subscription Agreement pursuant to which it is acquiring Offered Securities, or, if applicable, Qualified Institutional Buyer Letter, was executed or delivered; and
- (l) **“U.S. Subscription Agreement”** means the U.S. Subscription Agreement in the form attached as Exhibit I to the U.S. Placement Memorandum, including Schedule A thereto.

### **Representations, Warranties and Covenants of the Agents**

The Agents acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Offered Securities may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, except in accordance with an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each Agent on behalf of itself and its U.S. Affiliate, if applicable, represents, warrants, covenants and agrees to and with the Corporation severally, but not jointly, that:

1. It has not offered or sold, and will not offer or sell, at any time any Offered Securities except (a) in Offshore Transactions to persons who are not, or are not acting for the account or benefit, of a U.S. Person in compliance with Rule 903 of Regulation S, or, in the case of Units only, (b) to U.S. Purchasers that are U.S. Accredited Investors (including U.S. Accredited Investors that also qualify as Qualified Institutional Buyers), purchasing in each case for sale directly by the Corporation in compliance with the exemption afforded by Section 4(a)(2) of the U.S. Securities Act and similar exemptions under state securities laws and/or pursuant to Rule 506(b) of Regulation D and similar exemptions under applicable state securities laws and as provided in paragraphs 2 through 15 below. Accordingly, none of the Agents, their Affiliates (including in the U.S. Affiliates) or any person acting on any of their behalf, has made or will make (except as permitted in this Schedule “A”): (i) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to any person in the United States or to, or for the account of, a U.S. Person or a person in the United States, (ii) any sale of Offered Securities to any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States and not acting for the account or benefit of a U.S. Person or a person in the United States, or the Agent, its Affiliates (including the U.S. Affiliate) or any person acting on any of their behalf, reasonably believed that such Purchaser was outside the United States and not acting for the account or benefit of a U.S. Person or a person in the United States, or (iii) any Directed Selling Efforts.

2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Securities except with the U.S. Affiliate, any Selling Firm or with the prior written consent of the Corporation. The Agent shall require the U.S. Affiliate to agree, and each Selling Firm to

agree, for the benefit of the Corporation, to comply with, and shall use its commercially reasonable efforts to ensure that the U.S. Affiliate and each Selling Firm complies with, the same provisions of this Schedule “C” as apply to the Agent as if such provisions also apply to the U.S. Affiliate and such Selling Firm.

3. The Agent represents and warrants that all offers and sales of Offered Securities that have been or will be made by it in the United States or to, or for the account or benefit of, a U.S. Person, have or will be made through its U.S. Affiliate and in compliance with all applicable U.S. federal and state broker-dealer requirements. Any U.S. Affiliate that makes offers and sales in the United States or to, or for the account or benefit of, a U.S. Person, is on the date hereof, and will be on the date of each such offer and sale, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales were or will be made (unless exempted from the respective state’s broker-dealer registration requirements), and a member in good standing with the Financial Industry Regulatory Authority, Inc.

4. None of it, its Affiliates (including the U.S. Affiliate), or any person acting on any of their behalf has utilized, and none of such persons will utilize, any form of General Solicitation or General Advertising in connection with the offer and sale of the Offered Securities, or has offered or will offer any Offered Securities in any manner involving a public offering in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act.

5. Immediately prior to soliciting U.S. Purchasers, the Agent, its Affiliates (including the U.S. Affiliate), and any person acting on its or their behalf had reasonable grounds to believe and did believe that each potential Purchaser was a U.S. Accredited Investor (or a U.S. Accredited Investor that also qualifies as a Qualified Institutional Buyer) with respect to which the Agent or its Affiliates (including the U.S. Affiliate) has a pre-existing business relationship; and at the time of completion of each sale to a person in the United States or to, or for the account or benefit of, U.S. Persons, the Agent, its Affiliates (including the U.S. Affiliate), and any person acting on its or their behalf will have reasonable grounds to believe and will believe, that each such Purchaser is a U.S. Accredited Investor (or a U.S. Accredited Investor that also qualifies as a Qualified Institutional Buyer).

6. All potential Purchasers of the Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, solicited by it shall be informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the Offered Securities are being offered and sold to such U.S. Purchasers pursuant to the exemption afforded by Section 4(a)(2) of the U.S. Securities Act and similar exemptions under state securities laws and/or pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable state securities laws.

7. It agrees to deliver, through the U.S. Affiliate, to each person in the United States, or who are or are purchasing for the account or benefit of a U.S. Person or a person in the United States, to whom it offers to sell or from whom it solicits any offer to buy the Offered Securities the U.S. Placement Memorandum, including the Prospectus. No other written material will be used in connection with the offer or sale of the Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, other than any Supplementary Material approved by the Corporation.

8. Prior to completion of any sale of Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, each such Purchaser thereof that is purchasing Offered Securities will be required to provide to the Agent or the U.S. Affiliate an executed U.S. Subscription Agreement, and, if such Purchaser qualifies as a Qualified Institutional Buyer and wishes to

have their Offered Securities registered in the depository service of CDS Clearing and Depository Services Inc., an executed Qualified Institutional Buyer Letter. The Agent shall provide the Corporation with copies of all such completed and executed U.S. Subscription Agreements and Qualified Institutional Buyer Letters for acceptance by the Corporation.

9. At least one Business Day prior to the Closing Date, it will provide the Corporation with a list of all Purchasers that are U.S. Accredited Investors or Qualified Institutional Buyers.

10. At the Closing, the Agent will, together with the U.S. Affiliate, if applicable, provide a certificate, substantially in the form of Annex I to this Schedule "A", relating to the manner of the offer and sale of the Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States. Failure to deliver such a certificate shall constitute a representation by such Agent and such U.S. Affiliate, if applicable, that neither it nor anyone acting on its behalf has offered or sold Offered Securities to U.S. Purchasers.

11. None of it, any of its Affiliates (including, the U.S. Affiliate) or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities.

12. The Agent represents and warrants that with respect to Offered Securities to be sold in reliance on Rule 506(b) of Regulation D ("**Regulation D Securities**"), if any, none of it, the U.S. Affiliate, or any of its or the U.S. Affiliate's directors, executive officers, general partners, managing members or other officers participating in the Offering, or any other person associated with the Agent who will receive, directly or indirectly, remuneration for solicitation of U.S. Purchasers of Offered Securities pursuant to Rule 506(b) of Regulation D (each, a "**Dealer Covered Person**" and, together, "**Dealer Covered Persons**"), is subject to any Disqualification Event except for a Disqualification Event (i) covered by Rule 506(d)(2) of Regulation D and (ii) a description of which has been furnished in writing to the Corporation prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the Closing Date. Neither it nor its U.S. Affiliate, if applicable, has paid or will pay, nor is it aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons) for solicitation of purchasers of Regulation D Securities.

13. The Agent represents that it is not aware of any person other than a Dealer Covered Person that has been or will be paid (directly or indirectly) remuneration for solicitation of U.S. Purchasers in connection with the sale of any Offered Securities pursuant to Rule 506(b) of Regulation D. It will notify the Corporation, prior to the Closing Date of any agreement entered into between it and any such person in connection with such sale.

14. The Agent will notify the Corporation, in writing, prior to the Closing Date, of (i) any Disqualification Event relating to any Dealer Covered Person not previously disclosed to the Corporation in accordance with Section 12 above, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Dealer Covered Person.

15. It is acquiring the Compensation Securities as principal for its own account and not for the benefit of any other person. Furthermore, in connection with the issuance of the Compensation Securities, (i) it is not a U.S. Person and it is not acquiring the Compensation Securities in the United States, or on behalf of a U.S. Person or a person located in the United States, and (ii) the Agreement was executed and delivered outside the United States. It agrees that it will not engage in any Directed Selling Efforts with respect to any Compensation Securities.

## **Representations, Warranties and Covenants of the Corporation**

The Corporation represents, warrants, covenants and agrees as at the date hereof and as at the Closing Date that:

1. The Corporation is, and at the Closing Date will be, a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest in the Offered Securities.
2. The Corporation is not, and following the application of the proceeds from the sale of the Offered Securities will not be, registered or required to be registered as an “investment company” under the United States Investment Company Act of 1940, as amended.
3. The offering of the Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States by the U.S. Affiliates, if applicable, is not prohibited pursuant to a court order issued pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.
4. Except with respect to offers and sales in accordance with this Agreement (including this Schedule “C”) to, or for the account or benefit of, persons in the United States or U.S. Persons that are U.S. Accredited Investors (including U.S. Accredited Investors that also qualify as Qualified Institutional Buyers) in reliance upon the exemption from registration afforded by Section 4(a)(2) of the U.S. Securities Act or as set forth in Rule 506(b) of Regulation D, none of the Corporation, its affiliates, or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made), has made or will make: (a) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to a person in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States; or (b) any sale of Offered Securities unless, at the time the buy order was or will have been originated, (i) the Purchaser is outside the United States and not acting to or for the account or benefit of a U.S. Person or a person in the United States or (ii) the Corporation, its affiliates, and any person acting on any of their behalf reasonably believe that the Purchaser is outside the United States and not acting to or for the account or benefit of a U.S. Person or a person in the United States.
5. During the period in which Offered Securities are offered for sale, none of the Corporation, its affiliates, or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) has engaged in or will engage in any Directed Selling Efforts or has taken or will take any action that would cause the exemptions afforded by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of Offered Securities outside the United States to non-U.S. Persons in accordance with the Agency Agreement, including this Schedule “C”.
6. None of the Corporation, its affiliates or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States by means of any form of General Solicitation or General Advertising or has taken or will take any action that would constitute a public offering of the Offered Securities in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act.

7. During the period beginning six months prior to the commencement of the Offering and during the six-month period commencing on the Closing Date, (i) it has not sold, offered for sale or solicited any offer to buy, and it will not sell, offer for sale or solicit any offer to buy, any of its securities in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemption from registration set forth in Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Securities, and (ii) neither it nor any person acting on its behalf has engaged or will engage in any General Solicitation or General Advertising in connection with any offer or sale of its securities in reliance upon Rule 506(b) of Regulation D or otherwise in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemption from registration set forth in Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Securities in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons.

8. None of the Corporation, any of its affiliates or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates, or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities.

9. None of the Corporation or any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

10. The Corporation will complete and file with the SEC a Notice on Form D within 15 days after the first sale of Offered Securities pursuant to Rule 506(b) of Regulation D, and will make such filings with any applicable state securities commission as may be required by state law.

11. With respect to Regulation D Securities, none of the Corporation, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Corporation participating in the Offering, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to any Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) of Regulation D. The Corporation has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Corporation has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) of Regulation D. The Corporation has not paid and will not pay, nor is it aware of any person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons) for solicitation of purchasers of Regulation D Securities.

12. The Corporation is not aware of any person (other than any Issuer Covered Person or Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Offered Securities pursuant to Rule 506(b) of Regulation D.

13. The Corporation will notify the Agents, in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

14. Upon receipt of a written request from a purchaser in the United States or who is a U.S. Person, the Corporation shall make a determination if the Corporation is a “passive foreign investment company” (a “**PFIC**”) within the meaning of section 1297(a) of the United States Internal Revenue Code of 1986, as amended (the “**Code**”), during any calendar year following the purchase of the Offered Units by such purchaser, and if the Corporation determines that it is a PFIC during such year, the Corporation will provide to such purchaser, upon written request, all information that would be required to permit a United States shareholder to make an election to treat the Corporation as a “qualified electing fund” for the purposes of the Code.

### **General**

Each of the Agents (and their U.S. Affiliates) on the one hand and the Corporation on the other hand understand and acknowledge that the other parties hereto will rely on the truth and accuracy of the representations, warranties, covenants and agreements contained herein.

**ANNEX I TO SCHEDULE “C”**  
**AGENT’S CERTIFICATE**

In connection with the private placement in the United States of Offered Securities of the Corporation pursuant to the Agency Agreement, the undersigned Agent and its U.S. Affiliate, do hereby certify as follows:

- (a) the Offered Securities have been offered and sold by us in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States only by the U.S. Affiliate which was on the dates of such offers and sales, and is on the date hereof, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act, and under the securities laws of each state in which such offers and sales were made (unless exempted from the respective state’s broker-dealer registration requirements) and was and is a member in good standing with the Financial Industry Regulatory Authority, Inc.;
- (b) immediately prior to transmitting the U.S. Placement Memorandum to offerees in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, we had reasonable grounds to believe and did believe that each such person was a U.S. Accredited Investor (or a U.S. Accredited Investor that also qualifies as a Qualified Institutional Buyer), and we continue to believe that each U.S. Purchaser of Offered Securities that we have arranged is a U.S. Accredited Investor (or a U.S. Accredited Investor that also qualifies as a Qualified Institutional Buyer) on the date hereof;
- (c) all offers and sales of the Offered Securities by us in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States have been effected in accordance with all applicable U.S. federal and state broker-dealer requirements;
- (d) no form of Directed Selling Efforts or General Solicitation and General Advertising was used by us in connection with the offer and sale of the Offered Securities;
- (e) prior any sale of Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person, each such Purchaser thereof that is purchasing Offered Securities provided either (i) an executed Qualified Institutional Buyer Letter, if such Purchaser is a Qualified Institutional Buyer or (ii) an executed U.S. Subscription Agreement, if such Purchaser is a U.S. Accredited Investor, and we provided the Corporation with copies of all such completed and executed exhibits and schedules for acceptance by the Corporation;
- (f) neither we, nor our affiliates or any person acting on any of our behalf have taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities;
- (g) prior to the purchase of any Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons, each such offeree was provided with a copy of the U.S. Placement Memorandum, and no other written material, other than any Supplementary Material approved by the Corporation, was used by us in connection with the Offering of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons;
- (h) all purchasers in the United States, or who are or who purchased for the account or benefit of U.S.

Persons or persons in the United States, who were offered the Offered Units have been informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such purchasers without registration in reliance on available exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws;

- (i) with respect to the Offered Securities to be offered and sold in reliance upon Rule 506(b) of Regulation D, if any, none of the Dealer Covered Persons is subject to any Disqualification Event except for a Disqualification Event covered by Rule 506(d)(2) of Regulation D and a description of which has been furnished in writing to the Corporation prior to the date hereof, or in the case of a Disqualification Event occurring after the date hereof, prior to the Closing Date, and we have not paid or nor will we pay, nor are we aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons or Issuer Covered Persons) for solicitation of purchasers of the Offered Securities to be offered and sold in reliance upon Rule 506(b) of Regulation D, if any; and
- (j) the offering of the Offered Securities has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule "C" attached thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement (including Schedule "C" attached thereto) unless defined herein.

**DATED** as of this \_\_\_\_ day of \_\_\_\_\_, 2020.

**[NAME OF AGENT]**

**[NAME OF U.S. AFFILIATE]**

By:

By:

\_\_\_\_\_  
Authorized Signing Officer

\_\_\_\_\_  
Authorized Signing Officer