

**AGREEMENT OF PURCHASE AND SALE** dated as of June 8, 2021 (the “**Agreement**”)

**BETWEEN:**

**MEDICAN ORGANIC INC.** (being the entity resulting from the amalgamation of 9371-8633 Quebec Inc. and Medican Organic Inc. on January 1, 2021), a corporation incorporated and governed under the laws of the Province of Quebec, having its head office at 1175 Gerard-Cadieux Blvd., Salaberry-de-Valleyfield, Quebec, J6T 6M1, hereby represented by **Marc Cernovitch**, its Executive Vice President, and **Sean Bovingdon**, its Chief Financial Officer, duly authorized for purposes hereof as per a resolution of its board of directors dated June 8, 2021;

(hereinafter the “**Vendor**”)

**AND:**

**CANNARA BIOTECH (OPS) INC.**, a corporation incorporated and governed under the laws of Canada, having its head office at 200-333 Décarie Boulevard, Montreal, Quebec, H4N 3M9, hereby represented by **Zohar Krivorot**, its President, duly authorized for purposes hereof as per a resolution of its board of directors dated June 8, 2021;

(hereinafter the “**Purchaser**”)

(the Vendor and the Purchaser are hereinafter collectively referred to as the “**Parties**” and each individually as a “**Party**”)

**WHEREAS** the Vendor is the owner of the Assets (as defined hereunder); and

**WHEREAS** the Vendor wishes to sell the Assets to the Purchaser, and the Purchaser wishes to purchase the Assets from the Vendor on the terms and conditions set forth in this Agreement;

**THE PARTIES HEREBY AGREE AS FOLLOWS:**

**1 INTERPRETATION**

1.1 The capitalized words and expressions used in this Agreement or any document subordinate thereto shall have the meaning ascribed to them in this paragraph 1.1, unless otherwise expressly stated herein:

1.1.1 “**Additional Deposit**” has the meaning ascribed thereto in Subsection 3.3.2;

- 1.1.2 “**Agreement**” means this Agreement of Purchase and Sale and the schedules attached hereto, as amended, renewed, supplemented or otherwise varied from time to time in writing;
- 1.1.3 “**Assets**” means the Immovable Assets and the Movable Assets listed in Schedule 1.1.3, save and except for the Excluded Assets;
- 1.1.4 “**Assumed Contracts**” means all contracts to which the Vendor is a party as of the Closing Date and listed in Schedule 1.1.4;
- 1.1.5 “**Assumed Liabilities**” means all of the Vendor's obligations under the Assumed Contracts and the Transferred Permits;
- 1.1.6 “**Business Day**” means a day of the week, other than a Saturday, a Sunday, a day that is a holiday within the meaning of the *Interpretation Act* (Quebec) or any other day on which the principal chartered banks in the City of Montréal are closed for business;
- 1.1.7 “**Cannabis Supply Agreement**” has the meaning ascribed thereto in Subsection 14.2.6;
- 1.1.8 “**CIM**” means the Confidential Information Memorandum prepared by BMO Capital Markets Real Estate Inc. and dated February 2021 relating to the transactions contemplated herein;
- 1.1.9 “**Closing**” means the completion and consummation of the purchase and sale of the Assets contemplated by this Agreement on the Closing Date;
- 1.1.10 “**Closing Date**” means June 22, 2021;
- 1.1.11 “**Confidential Information**” means all information and documentation made available by the Vendor to the Purchaser together with any copies of analyses, compilations, studies or other documents prepared by the Purchaser or its Representatives which contain or otherwise reflect such information or documentation and which is marked as confidential, is confidential by nature or should be understood as being confidential by a reasonable person in similar circumstances;
- 1.1.12 “**Consent**” means any consent, approval, permit, waiver, exemption or similar authorization;
- 1.1.13 “**Data Room**” means the TGOD Valleyfield virtual data room made available by BMO Capital Markets Real Estate Inc. with the sharefile system;
- 1.1.14 “**Deed of Sale**” means a deed relating to the sale of the Property to the Purchaser in registrable form, to be drafted by Purchaser's counsel or notary and agreed upon by the Vendor and the Purchaser (and their respective advisors), each acting reasonably and in good faith;
- 1.1.15 “**Deposit**” has the meaning ascribed thereto in Subsection 3.3.2;

- 1.1.16 “**Encumbrance**” means any mortgage, pledge, charge, lien, hypothec, prior claim, restriction, security interests, or other encumbrance created or arising by agreement, statute or otherwise at law, attaching or affecting to the Assets or any part thereof or interest therein;
- 1.1.17 “**Environmental Authorization**” means the authorization No. 401872482 issued by the MEFCC to the Vendor for the installation and operation of three 11 MW low pressure boilers and the installation and operation of the filtration system for the ancillary cannabis cultivation building for cannabis drying and dated as of December 16, 2019;
- 1.1.18 “**Environmental Laws**” has the meaning ascribed thereto in Subsection 6.2.1;
- 1.1.19 “**Escrow Agent**” means Litvack Alain Notaires;
- 1.1.20 “**Excluded Assets**” means the assets listed in Schedule 1.1.20;
- 1.1.21 “**GST**” means the goods and services tax payable pursuant to the *Excise Tax Act* (Canada);
- 1.1.22 “**Governmental Authority**” means any (i) federal, provincial, state, territorial, municipal, local or other government, domestic or foreign, (ii) governmental or public ministry, department, agency, Tribunal, commission, board, bureau or instrumentality, domestic or foreign, (iii) subdivision or authority of any of the foregoing, or (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;
- 1.1.23 “**Immovable Assets**” means the Property, including all buildings, improvements, structures, fixtures, appurtenances and attachments to the Property;
- 1.1.24 “**Initial Deposit**” has the meaning ascribed thereto in Subsection 3.3.1;
- 1.1.25 “**Innovation Steel Structure**” means approximately 201 tons of structural steel and beams, owned by the Vendor, and pertaining to the Vendor’s projected innovation center project, currently located or stored at Canam’s facility located at 115 Boulevard Canam Nord, Saint-Gédéon-de-Beauce, Quebec, G0M 1T0;
- 1.1.26 “**Interim Period**” means the period from and including the time of execution of this Agreement to and including the Closing Date;
- 1.1.27 “**Leaseback Agreement**” has the meaning ascribed thereto in Subsection 14.2.4;
- 1.1.28 “**MEFCC**” has the meaning ascribed thereto in Subsection 6.2.1;

- 1.1.29 “**Movable Assets**” means the movable property situated on the Property as of the Closing Date and listed in Schedule 1.1.29, the Assumed Contracts and the Transferred Permits;
  - 1.1.30 “**Permitted Encumbrances**” means servitudes, encroachments, rights of way and other minor imperfections of title which do not, individually or in the aggregate, materially detract from the value of or impair the use or marketability of the Assets;
  - 1.1.31 “**Processing Space Lease Agreement**” has the meaning ascribed thereto in Subsection 14.2.5;
  - 1.1.32 “**Property**” means the immovable property located at 1175 Gérard-Cadieux Boulevard, in the City of Salaberry-de-Valleyfield, Province of Quebec, known and designated as lot number 4 516 598 of the Cadastre du Québec, registration division of Beauharnois;
  - 1.1.33 “**Purchase Price**” has the meaning ascribed thereto in Section 3.1;
  - 1.1.34 “**Purchaser’s Closing Certificate**” has the meaning specified in Subsection 16.2.1.1;
  - 1.1.35 “**QST**” means the Quebec sales tax payable pursuant to the *Act Respecting the Québec Sales Tax* (Quebec);
  - 1.1.36 “**Reduction Amount**” has the meaning ascribed thereto in Section 15.6;
  - 1.1.37 “**Registration**” has the meaning ascribed thereto in Section 3.4;
  - 1.1.38 “**Representatives**” means, with respect to a Person, its employees, consultants, legal counsels and advisors;
  - 1.1.39 “**Transaction**” means the purchase and sale of the Assets provided for in this Agreement;
  - 1.1.40 “**Transferred Permits**” means any license, permit, certificate, consent, order, grant, approval, classification, restriction, registration, flagging or other authorization of, from, or required by any person or Governmental Authority relating to the Assets or the operation thereof to which the Vendor is a party as of the Closing Date and listed in Schedule 1.1.40;
  - 1.1.41 “**Vendor’s Closing Certificate**” has the meaning ascribed thereto in Subsection 16.1.1.1.
- 1.2 In this Agreement, unless the context requires otherwise, any reference to gender includes all genders and words importing the singular number only include the plural and vice versa.
- 1.3 The division of this Agreement into sections and the inserting of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

- 1.4 In this Agreement, the words “include” or “including” mean “include (or including) without limitation” and the words following “include” or “including” are not to be considered an exhaustive list.
- 1.5 Unless otherwise specified, all dollar amounts in this Agreement, including the symbol “\$”, refer to Canadian currency.

## **2 PURCHASE AND SALE**

- 2.1 Subject to the terms and conditions of this Agreement, on the Closing Date, the Vendor shall sell the Assets to the Purchaser, and the Purchaser shall purchase the Assets from the Vendor.

## **3 PURCHASE PRICE AND TERMS OF PAYMENT**

- 3.1 The aggregate purchase price payable by the Purchaser to the Vendor for the Assets shall be Twenty-Seven Million Dollars (\$27,000,000.00) (the “**Purchase Price**”). The Purchase Price does not include any sales or valued added tax, including the GST or QST, payable as a result of the Transaction, such taxes to be at the sole cost and expense of the Purchaser as further described in Section 8 below.
- 3.2 The Parties hereby agree that the Purchase Price shall be allocated among the Assets in accordance with the allocation set out in Schedule 3.2, and the Parties shall each file their respective income tax returns in accordance with that allocation.
- 3.3 The Purchase Price shall be paid by the Purchaser as follows:
  - 3.3.1 Prior to the execution of this Agreement, the Purchaser has delivered a deposit of One Million Dollars (\$1,000,000.00) (the “**Initial Deposit**”) to the Escrow Agent, which shall be held in trust;
  - 3.3.2 No later than one (1) Business Day after the execution of this Agreement, the Purchaser shall deliver a further deposit of One Million Three Hundred Fifty Thousand Dollars (\$1,350,000.00) (the “**Additional Deposit**”, and together with the Initial Deposit, collectively, the “**Deposit**”) to the Escrow Agent which shall be held in trust; and
  - 3.3.3 No later than one (1) Business Day prior to the Closing Date, the Purchaser shall pay the balance of the Purchase Price, being an amount equal to the Purchase Price less the Deposit (being Twenty-Four Million Six Hundred Fifty Thousand Dollars (\$24,650,000.00)) by wire transfer of immediately available funds to the Escrow Agent which shall be held in trust.
- 3.4 The Escrow Agent shall retain all sums received under this Agreement until the Deed of Sale has been executed by both Parties. The Escrow Agent shall disburse all sums held in escrow pursuant to this Agreement in accordance with the direction of payment to be provided by the Vendor. Upon execution of the Deed of Sale and no later than June 22, 2021, the Escrow Agent shall register the Deed of Sale at the land registry for the registration division of Beauharnois (the

“**Registration**”) without intervening Encumbrances, save and except for the Permitted Encumbrances. The Purchaser shall provide the Escrow Agent with extended gap coverage as part of the title insurance subscribed by the Purchaser and set forth in Subsection 14.2.7.

#### **4 DEPOSIT**

- 4.1 At Closing, the Deposit shall be applied in payment of the Purchase Price.
- 4.2 Interest on the Deposit, if any, shall accrue to the benefit of the Purchaser from the date of this Agreement until the Closing Date or earlier termination of this Agreement and shall be credited against the payment of the Purchase Price, subject to Section 4.3.
- 4.3 The Escrow Agent shall be allowed, but shall not be obliged, to invest the Deposit in an interest bearing account.
- 4.4 As of the execution of this Agreement, the Deposit together with all accrued interest thereon shall be non-refundable save and except if the Transaction is not completed as a result of the default of the Vendor to provide the Purchaser with an updated certificate of location showing the Property in its current state and not providing any material issues, as set forth in Subsection 14.1.4. If the Transaction is not completed as a result of the fault of the Purchaser, including if any of the conditions set forth in Section 16.2 has not been fulfilled by the Purchaser, the Deposit shall be paid by the Escrow Agent in accordance with the Vendor’s instructions as liquidated damages, under reserve of all of the Vendor’s rights and recourses, including, without limitation, the right to seek specific performance. If the transaction is not completed as a result of the fault of the Vendor, the Deposit together with all interest earned thereon will immediately be paid to the Purchaser, under reserve of all of the Purchaser’s rights and recourses, including, without limitation, the right to seek specific performance.

#### **5 ADJUSTMENTS**

- 5.1 Except as otherwise provided herein, the Vendor shall be responsible for all expenses and liabilities with respect to the Assets up to but not including the Closing Date. The Purchase Price with respect to the Assets shall be adjusted as of the Closing Date for all items of income and expense and other items adjusted in accordance with usual commercial practice for adjustment between a vendor and purchaser with respect to the purchase and sale of an immovable property in the Province of Quebec (with the Closing Date itself being the responsibility of the Purchaser). Without limiting the foregoing, the adjustments shall include realty taxes, local improvement charges, utilities, other taxes, assessments and recoveries relating to the Assets.
- 5.2 The adjustments will be made to the extent reasonably possible on Closing as of the Closing Date. The Vendor will prepare a statement of the adjustments for the Property and a copy thereof will be delivered to Purchaser at least five (5) Business Days prior to the Closing Date.

- 5.3 With respect to any adjustments which cannot be determined conclusively on or before the Closing Date, the Vendor and the Purchaser, acting reasonably and on the best evidence available at the Closing Date, shall agree on an adjustment amount, subject to readjustment when the adjustment is delivered, provided it is determined within twelve (12) months after Closing.

## **6 ASSUMED LIABILITIES**

- 6.1 Subject to Section 6.2, the Vendor agrees to transfer and assign to the Purchaser on the Closing Date and the Purchaser agrees to assume from and after the Closing Date, the Assumed Liabilities, to the exclusion of any liability or obligation related to or arising out of any Assumed Liability as a result of:

- 6.1.1 any transaction, status, event, condition, occurrence or situation existing or arising on or before the Closing Date provided, however, for clarity, that any regularly scheduled payment due or to become due after the Closing Date under an Assumed Liability shall be the responsibility of the Purchaser;
- 6.1.2 any breach of an Assumed Liability occurring on or before the Closing Date (for purposes of clarity, the Vendor remains liable for all Assumed Liabilities with respect to the period prior to the Closing Date); or
- 6.1.3 any violation of law, breach of warranty or breach occurring on or before the Closing Date.

## **6.2 Environmental Authorization**

- 6.2.1 The Parties acknowledge that the assignment of the Environmental Authorization included in the Transferred Permits is subject to the procedure set out in the *Environmental Quality Act* (Quebec) and the *Regulation respecting the regulatory scheme applying to activities on the basis of their environmental impact* (collectively, the “**Environmental Laws**”) and that (i) such procedure notably requires that a notice and certain documents be completed and transmitted by the Vendor and the Purchaser to the Ministry of the Environment and the Fight against Climate Change (the “**MEFCC**”), (ii) in some cases, a maximum of sixty (60) days is required for the procedure to be completed following the transmission to the MEFCC of all required documents and (iii) the MEFCC may decide not to approve the assignment of the Environmental Authorization.
- 6.2.2 In order to ensure that the Environmental Authorization is transferred on the Closing Date or on the earliest subsequent date, each Party hereby agree to initiate the applicable procedure for the assignment of the Environmental Authorization during the Interim Period. More particularly, the Purchaser hereby agrees to complete and transmit all documents and information required under the Environmental Laws and requested by the Vendor in order to initiate the applicable procedure with the MEFCC during the Interim Period.

- 6.2.3 The Vendor undertakes to use its best efforts to assist the Purchaser to obtain the assignment of the Environmental Authorization included in the Transferred Permits (without any obligation to make any financial contributions thereto) but shall, under no circumstances, be liable for (i) the refusal of the MEFCC to authorize the assignment of the Environmental Authorization and (ii) an assignment of the Environmental Authorization occurring after the Closing Date. For more certainty, the Parties acknowledge that the Agreement shall in no circumstances be terminated as a result of (i) the refusal of the MEFCC to authorize the assignment of the Environmental Authorization or (ii) an assignment of the Environmental Authorization occurring after the Closing Date.
- 6.3 The Purchaser shall not assume any obligations, debts, liabilities, contracts, agreements or commitments of the Vendor of any kind not specifically assumed under the Agreement, including, without limitation, any debt payable or tax liability, whether or not assessed.
- 6.4 The Purchaser hereby agrees to provide any guarantee, deposit or liability insurance required under the Assumed Contracts or required by a Governmental Authority, as the case may be, in order for the Vendor to effectively transfer and assign the Assumed Liabilities to the Purchaser as of the Closing Date.

## **7 DOCUMENTS AND ADDITIONAL INFORMATION**

- 7.1 As of the date of execution of this Agreement, the Vendor has provided and the Purchaser hereby acknowledges having received from the Vendor the following documents in connection with the Assets:
- 7.1.1 Copies of the environmental, soil and inspection reports;
  - 7.1.2 "As built" plans and floor plans;
  - 7.1.3 Municipal and school tax bills for the current and two (2) past years;
  - 7.1.4 Gas and hydro bills for the current year and past two (2) years;
  - 7.1.5 Current insurance policies with respect to the Assets;
  - 7.1.6 All maintenance and service contracts that relate to the Property including, HVAC, sprinkler, roof, lawn, snow removal;
  - 7.1.7 Any notices of non-conformity, notices of expropriation or pending litigation affecting the Property; and
  - 7.1.8 Title deeds with respect to the Property.
- 7.2 If available and in the possession of the Vendor, the Vendor shall provide to the Purchaser, at its request, any additional document or information in connection with the Assets.



## **8 TAXES**

### **8.1 Taxes**

8.1.1 The Purchaser shall be responsible for and shall pay all federal, provincial and municipal taxes payable by a purchaser upon or in connection with the purchase of the Assets, including GST, QST and any duties payable pursuant to the *Act respecting duties on transfers of immovable* (Quebec). The Purchaser hereby certifies that it is duly registered for GST and QST purposes, as more fully detailed in Subsection 8.1.5 hereof.

8.1.2 On the Closing Date, the Vendor shall collect from Purchaser and the Purchaser shall pay to the Vendor, in addition to the Purchase Price, the GST and QST applicable on the sale of the Movable Assets. If required by the Purchaser, GST and QST election forms shall be executed by the Parties.

8.1.3 The Vendor shall not collect from the Purchaser the GST and QST payable with respect to the Immovable Assets. The Purchaser shall self-assess, file and remit the GST and QST to the relevant tax authorities within the prescribed delays and to the extent required by the *Excise Tax Act* (Canada) and the *Act respecting the Québec sales tax* (Quebec). The Purchaser hereby agrees to indemnify and hold the Vendor harmless from and against any claims in connection with the payment, penalties or interest that would result from Purchaser's failure to make payment of GST and QST as agreed in this Agreement.

8.1.4 The Vendor is duly registered for GST and QST purposes under the following numbers:

8.1.4.1 GST: [REDACTED]; and [Redacted; confidential information]

8.1.4.2 QST: [REDACTED]. [Redacted; confidential information]

8.1.5 The Purchaser is duly registered for GST and QST purposes under the following numbers:

8.1.5.1 GST: [REDACTED]; and [Redacted; confidential information]

8.1.5.2 QST: [REDACTED]. [Redacted; confidential information]

## **9 COSTS**

9.1 The Purchaser shall pay, in addition to the Purchase Price, the fees of any notary involved in the drafting or execution of the Deed of Sale as well as all registration, taxes, fees and other costs payable in respect of the registration of any documents relating to the Transaction, including the registration of the Deed of Sale in the Quebec Land Register. The Purchaser shall also assume the costs of the copies of the Deed of Sale for all Parties. The Vendor shall be responsible for the costs relating to the discharge of existing Encumbrances on the Assets (both movable and immovable).

## 10 WARRANTY

- 10.1 Subject to the representations and warranties of the Vendor set forth in Article 11 of this Agreement other than the warranty as to title, the Purchaser acknowledges and agrees that the Assets are sold and purchased on a “as is, where is” basis, with all faults and defects, at the Purchaser's own risk, by and from a vendor who is not a professional seller, without any representation, warranty, guarantee or covenant of any kind or nature, conventional or legal, statutory or otherwise, express or implied. Without limiting the generality of the foregoing, the Assets are sold without the warranty of quality provided for in articles 1726 through 1733 of the *Civil Code of Québec* and without any representation, warranty or condition, express or implied, as to quality, latent defects, state of repair, environmental condition, including soil and subsoil, surface water and groundwater, or any environmental matter, building, violation of restrictions of public law, title, zoning, contracts relating to the Assets, governmental compliance, threatened claims or litigation, quality, condition, area, suitability for development, fitness for a particular purpose, physical characteristics, profitability, merchantability, use, or in respect of any other matter or thing whatsoever relating to the Assets.
- 10.2 The Purchaser hereby acknowledges that it has thoroughly inspected and examined the Assets to the extent the Purchaser deems necessary in order to enable it to evaluate its purchase thereof and hereby declares itself satisfied with such inspections and examinations. The Purchaser represents that, subject to the representations and warranties of the Vendor expressly contained in Article 11, it is relying solely on its own expertise and that of its Representatives in connection with the Transaction and that it has conducted such inspections and examinations in respect of the Assets as the Purchaser deemed necessary in connection with its purchase thereof including such examinations of the physical and environmental conditions of the Assets as the Purchaser deemed necessary.
- 10.3 The Purchaser declares that, subject to the representations and warranties of the Vendor expressly contained in Section 11, it is relying solely upon and shall rely solely upon examinations and investigations conducted by it prior to the execution of this Agreement. Without limiting the generality of the foregoing, any information relating to the Assets which has been or may be obtained by the Purchaser whether from the Vendor, the Vendor's legal representatives or any other agents, or representatives or advisors of the Vendor or any of their affiliates, or any other person, including the information included in the CIM or the Data Room, have been provided solely for the convenience of the Purchaser and are not warranted to be accurate or complete and do not form part of the terms of this Agreement or any of the documents to be delivered on the Closing Date.
- 10.4 The Purchaser hereby waives any and all actual or potential rights or claims relating to the Assets and any other aspect of the Transaction contemplated herein which the Purchaser might have against the Vendor, its agents, consultants and representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties expressly set forth in this Agreement, relating to the Assets and any other aspect of the Transaction. The Vendor and its agents shall not be responsible or liable for any misrepresentation, lack of disclosure or incorrect or incomplete disclosure of any nature whatsoever or failure to investigate the Assets on the part of any real

estate broker or sales agent, or any other purported or acknowledged agent, representative, contractor, consultant or employee of the Vendor or any third party.

- 10.5 For purposes of clarity, the Vendor shall provide good and marketable title to the Assets, free and clear of all Encumbrances other than the Permitted Encumbrances. At Closing, the Encumbrances shall be repaid out of the sale proceeds and discharged thereafter provided that the creditors grant irrevocable undertakings on or before Closing to discharge upon receipt of the funds set out in a payout statement. All discharges shall be prepared and filed at the Vendor's expense.

## **11 REPRESENTATIONS AND WARRANTIES OF THE VENDOR**

- 11.1 The Vendor represents and warrants to the Purchaser as follows and acknowledges and confirms that the Purchaser is relying upon such representations and warranties in entering into this Agreement and completing the Transaction:

11.1.1 The Vendor is a corporation duly incorporated and subsisting under the laws of the Province of Quebec and has the corporate power, authority, right and capacity to own the Assets and to enter into, execute and deliver this Agreement and to carry out the Transaction in the manner contemplated by this Agreement;

11.1.2 As of the Closing Date, this Agreement and the obligations of the Vendor hereunder and each of the documents entered into by the Vendor pursuant hereto and the Transaction, have been duly and validly authorized by all requisite proceedings of the Vendor and, assuming valid execution by the Purchaser, will constitute legal, valid and binding obligations of the Vendor, enforceable against it in accordance with their terms, subject to creditor's rights generally;

11.1.3 The Vendor is the absolute legal and beneficial owner of, and has good and marketable title to all the Assets free and clear of all Encumbrances other than the Permitted Encumbrances and the Encumbrances listed at Schedule 11.1.3. For more certainty, the Encumbrances listed at Schedule 11.1.3 shall be repaid out of the sale proceeds and discharged thereafter;

11.1.4 All parties involved in the construction of the Immovable Assets shall have been paid in full by the Closing Date, save and except for suppliers in the Netherlands who shall be paid by the Vendor post-Closing, in accordance with an agreed upon payment plan.

11.1.5 Except for some of the Assumed Contracts, Assumed Liabilities and Transferred Permits, no Consent is necessary or otherwise required to be obtained by the Vendor from any Governmental Authority or person or pursuant to any applicable law in connection with the execution and delivery of this Agreement or any Closing document to which the Vendor is a party or shall become a party;

- 11.1.6 Except for the Purchaser under this Agreement, no other person has any written or oral agreement, option, understanding or commitment, or any right (including a right of first refusal or other purchase right) or privilege capable of becoming such for the purchase or other acquisition of any of the Assets;
- 11.1.7 Most of the Property is located in an agricultural zone under the *Act respecting the preservation of agricultural land and agricultural activities* (Quebec). A part of the Property of more or less than 305,397.28 square feet is in an industrial zone;
- 11.1.8 The proposed sale of the Property does not constitute a subdivision under section 28 of the *Act respecting the preservation of agricultural land and agricultural activities* (Quebec) and the Vendor has no ownership interest in a lot that is contiguous or considered contiguous to the Property under section 29 of the *Act respecting the preservation of agricultural land and agricultural activities* (Quebec);
- 11.1.9 The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec); and
- 11.1.10 Except as disclosed in Schedule 11.1.10, the Vendor has no knowledge of and has not received any notice of expropriation or non-conformity from any Governmental Authority and there are no legal proceedings pending or written threats of litigation related to the Assets.
- 11.2 The Parties acknowledge that the representations and warranties set forth in Section 11.1 shall be integrated in their entirety in the Deed of Sale.

## **12 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

- 12.1 The Purchaser represents and warrants to the Vendor as follows and acknowledges and confirms that the Vendor is relying upon such representations and warranties in entering into this Agreement and completing the Transaction:
- 12.1.1 The Purchaser is duly incorporated and subsisting under the laws of its place of incorporation, and has the necessary corporate authority, power and capacity to purchase the Assets and to enter into, execute and deliver this Agreement and to carry out the Transaction in the manner contemplated by this Agreement;
- 12.1.2 As of the Closing Date, this Agreement and the obligations of the Purchaser hereunder and each of the documents entered into by the Purchaser pursuant hereto and the Transaction, have been duly and validly authorized by all requisite proceedings of the Purchaser and, assuming valid execution by the Vendor, will constitute legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with their terms, subject to creditor's rights generally;

12.1.3 As of the Closing Date, the Purchaser will be insured against such losses and risks and in such amounts as are customary for the type of assets contemplated by this Transaction or be self-insured;

12.1.4 The execution and delivery by the Purchaser of this Agreement and the performance by the Purchaser of its obligations under this Agreement will not result in the breach or violation of any terms or conditions of: (i) the constating documents or by-laws of the Purchaser or (ii) any applicable law, regulation or order, including, without limitation, the *Act Respecting the Acquisition of Farm Land by Non-Residents* (CQLR c A-4.1); and

12.1.5 No bankruptcy, insolvency or receivership proceedings have been instituted or are pending against the Purchaser and, to its knowledge, no such proceedings have been threatened, and the Purchaser is able to satisfy its liabilities as they become due.

12.2 The Parties acknowledge that the representations and warranties set forth in Section 12.1 shall be integrated in their entirety in the Deed of Sale.

### **13 SURVIVAL**

13.1 Subject to Section 13.2 below, the representations and warranties of the Vendor contained in this Agreement, any Closing documents and the Vendor's Closing Certificate will survive the Closing and continue in full force and effect for a period of three (3) years after the Closing Date.

13.2 The representations and warranties of the Purchaser contained in this Agreement, any Closing documents and the Purchaser's Closing Certificate and the representations and warranties of the Vendor contained in Subsections 11.1.1, 11.1.2, 11.1.3 and 11.1.4 hereof will survive the Closing and continue in full force and effect for an indefinite period of time after the Closing Date.

13.3 There shall be no limitation as to time for claims for any breach of any of the representations and warranties of the Vendor or the Purchaser contained in this Agreement involving fraud or fraudulent or willful misrepresentation.

### **14 INTERIM PERIOD**

14.1 The Vendor hereby covenants that during the Interim Period, it shall:

14.1.1 use its best efforts (without any obligation to make any financial contributions thereto) to obtain the Consents that are required from third parties in connection with the assignment of the Assumed Liabilities;

14.1.2 allow the Purchaser to visit the Property up until the Closing Date during normal business hours following a twenty-four (24) hour prior notice to the Vendor;

14.1.3 make all reasonable efforts to obtain, at the request of the Purchaser, any reliance letters in connection with the environmental site assessment reports of the Property included in the Data Room and collaborate with the

Purchaser to obtain such letters. For more clarity, all costs and expenses related to obtaining such reliance letters shall be borne solely by the Purchaser;

- 14.1.4 no later than June 20, 2021 (5:00 p.m.), provide the Purchaser with an updated certificate of location showing the Property in its current state;
  - 14.1.5 to maintain the Assets as a reasonable and prudent owner would, including paying all liabilities with respect thereto as they accrue, and to ensure that the Assets, at Closing, shall be in the same condition and repair as they are in at the date hereof, save for reasonable wear and tear;
  - 14.1.6 not refrain from taking any reasonable action that would prevent any of its representations and warranties under this Agreement from becoming not true and correct at the Closing Date;
  - 14.1.7 to initiate, promptly following the execution of the Agreement and in collaboration with the Purchaser, the applicable procedure for the assignment and transfer of the Assumed Liabilities; and
  - 14.1.8 take all such actions that are within its power to control, and use reasonable efforts to cause other actions to be taken which are not within its power to control, to ensure compliance with all of the conditions set out in Section 16.1.
- 14.2 The Purchaser hereby covenants that during the Interim Period, it shall:
- 14.2.1 collaborate with the Vendor in order for the Vendor to obtain, at or prior to the Closing Date, all Consents necessary to complete the Transaction;
  - 14.2.2 not refrain from taking any reasonable action that would prevent any of its representations and warranties under this Agreement from becoming not true and correct at the Closing Date;
  - 14.2.3 no later than two (2) Business Days following the execution of the Agreement, deliver to the Vendor for its review a copy of the Deed of Sale prepared by Litvack Alain Notaires;
  - 14.2.4 no later than two (2) Business Days following the execution of the Agreement, deliver to the Vendor for its review a copy of the leaseback agreement prepared on the basis of the terms and conditions listed at Schedule 14.2.4 and finalize the agreement in collaboration with the Vendor for execution at Closing (the "**Leaseback Agreement**");
  - 14.2.5 no later than three (3) Business Days following the execution of the Agreement, deliver to the Vendor for its review a copy of the processing space lease agreement prepared on the basis of the terms and conditions listed at Schedule 14.2.5 and finalize the agreement in collaboration with the Vendor for execution at Closing (the "**Processing Space Lease Agreement**");

- 14.2.6 no later than three (3) Business Days following the execution of the Agreement, deliver to the Vendor for its review a copy of the cannabis supply agreement prepared on the basis of the terms and conditions listed at Schedule 14.2.6 and finalize the agreement in collaboration with the Vendor for execution at Closing (the “**Cannabis Supply Agreement**”);
- 14.2.7 subscribe to title insurance, to be effective as of the Closing Date, which shall include gap coverage insurance in order to allow the sale proceeds with respect to the Transaction to be disbursed at Closing (i.e. there shall be no obligation to wait until the Registration to proceed with the disbursement of such sale proceeds);
- 14.2.8 initiate, promptly following the execution of the Agreement and in collaboration with the Vendor, the applicable procedure for the assignment of the Assumed Liabilities; and
- 14.2.9 it shall take all such actions that are within its power to control, and use reasonable efforts to cause other actions to be taken which are not within its power to control, to ensure compliance with all of the conditions set out in Section 16.2.

## **15 RISK AND DAMAGE**

- 15.1 The Purchaser shall take possession of the Assets on the Closing Date.
- 15.2 The Assets shall remain at the risk of the Vendor until the Closing Date.
- 15.3 In the event of any damage to the Assets occurring on or prior to Closing Date, or the receipt of an expropriation notice by the Vendor with respect to the Assets prior to the Closing Date, the Vendor will forthwith inform the Purchaser of such damage or expropriation notice. The Vendor shall then appoint an independent valuator to estimate the cost for repairing the damage to the Assets or the reduction in value of the Assets resulting from the expropriation.
- 15.4 If the cost of repairing the damage is estimated to exceed One Million Dollars, or in the event the reduction in value of the Assets as a result of the expropriation is estimated to exceed One Million Dollars, the Vendor will forthwith give notice to the Purchaser to this effect. The Purchaser may, by notice to the Vendor, given not more than seven (7) Business Days after receipt of said notice from the Vendor, terminate this Agreement. In the event of termination under this provision, neither Party shall have a claim against the other for any loss, costs, expenses or damages arising out of this Agreement with respect to the Assets.
- 15.5 If the cost of repairing the damage is estimated to be equal or less than One Million Dollars, or in the event the reduction in value of the Assets as a result of the expropriation is estimated to be equal or less than One Million Dollars, the Vendor will forthwith give notice to the Purchaser to this effect. The Purchaser shall not be entitled to terminate this Agreement and its sole compensation will be that set out in Section 15.6 below.

- 15.6 If this Agreement is not terminated as provided in Section 15.4, then on Closing, the Purchaser shall complete the purchase of the Assets in accordance with the terms of the Agreement except for the purchase price which shall be reduced by an amount corresponding to the cost for repairing the damage to the Assets or the reduction in value of the Assets resulting from the expropriation as estimated by the independent valuator appointed by the Vendor pursuant to Section 15.3 (the "**Reduction Amount**"). The Reduction Amount shall in no event exceed One Million Dollars but if the damage is greater than the Reduction Amount, the Vendor's insurance proceeds, less the Reduction Amount, shall be payable to the Purchaser and the Vendor shall be responsible for all insurance deductibles. There shall be no additional liability of the Vendor toward the Purchaser in connection with such destruction or expropriation of all or part of the Assets.
- 15.7 If any notice of damage is given by the Vendor to the Purchaser in accordance with Section 15.4 within seven (7) Business Days prior to Closing, the Closing will be postponed for a period sufficient for the Vendor and the Purchaser to determine the nature and extent of damage and the costs of repairing the damage, or the scope of the expropriation and the reduction in value of the Assets, to be reasonably agreed upon in writing by the Vendor and the Purchaser.

## **16 CONDITIONS OF CLOSING**

### **16.1 Conditions for the Benefit of the Purchaser**

16.1.1 The completion of the Transaction is subject to the satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions, each of which is for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

16.1.1.1 all representations and warranties of the Vendor contained in this Agreement will have been true and correct in all material respects on the date of this Agreement and will be true and correct in all material respects on the Closing Date with the same force and effect as if those representations and warranties had been made at and as of that time, and the Vendor will have executed and delivered a certificate of a senior officer of the Vendor to that effect (the "**Vendor's Closing Certificate**"); and

16.1.1.2 the Vendor will have performed or complied with, in all material respects, all obligations and covenants contained in this Agreement to be performed or complied with by it at or before the Closing Date and this shall be confirmed in the Vendor's Closing Certificate.

16.1.2 If any of the conditions set forth in this Section 16.1 has not been fulfilled, performed or satisfied at the time provided therefor, then, unless such condition has been waived by the Purchaser in writing, at its sole discretion, this Agreement shall terminate.

### **16.2 Conditions for the Benefit of the Vendor**



16.2.1 The sale and purchase of the Assets is subject to the satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions, each of which is for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:

16.2.1.1 all representations and warranties of the Purchaser contained in this Agreement will have been true and correct on the date of this Agreement and will be true and correct at the Closing Date with the same force and effect as if those representations and warranties had been made at and as of that time, and the Purchaser will have executed and delivered a certificate of a senior officer of the Purchaser to that effect (the "**Purchaser's Closing Certificate**"); and

16.2.1.2 the Purchaser will have performed or complied with all obligations and covenants contained in this Agreement to be performed or complied with by it at or prior to the Closing Date, and this shall be confirmed in the Purchaser's Closing Certificate.

16.2.2 If any of the conditions set forth in Section 16.2 has not been fulfilled, performed or satisfied at or prior to the Closing Date, then, unless such condition has been waived by the Vendor in writing, at its sole discretion, this Agreement shall terminate.

16.3 Either Party may waive, in whole or in part, at any time by notice in writing to the other Party, any condition in Sections 16.1 or 16.2 that is for its benefit. No waiver by a Party of any condition, in whole or in part, will operate as a waiver of any other condition or of that Party's rights of termination in the event of non-fulfilment of any other condition, in whole or in part.

## **17 CLOSING ARRANGEMENTS**

17.1 The Closing shall take place virtually by the exchange of electronic signatures on the Closing Date or at such place, on such date and at such time as may be agreed upon in writing by the Parties.

17.2 Closing Deliveries of the Purchaser

17.2.1 At the Closing Date, subject to satisfaction of all the conditions in Article 16 that have not been waived in writing by the Vendor, the Purchaser shall deliver to the Vendor the following in form and substance satisfactory to the Vendor acting reasonably:

17.2.1.1 the Deed of Sale;

17.2.1.2 an acknowledgement, assumption and undertaking agreement, in form and substance approved by the Vendor and Purchaser, each acting reasonably, with respect to all Assumed Liabilities;

17.2.1.3 a bill of sale in respect of the Movable Assets;

- 17.2.1.4 all transfers, assignments and documents delivered under this Agreement at the Closing Date which require execution and delivery by the Purchaser;
- 17.2.1.5 copies of resolutions of the board of directors and/or shareholders of the Purchaser authorizing the entering into and completion of the Transaction; and
- 17.2.1.6 the Purchaser's Closing Certificate;
- 17.2.1.7 the Leaseback Agreement;
- 17.2.1.8 the Processing Space Lease Agreement;
- 17.2.1.9 the Cannabis Supply Agreement;
- 17.2.1.10 duly executed copy of the High Voltage Contribution Agreement (Entente de contribution en haute tension) entered into between the Purchaser and Hydro-Québec; and
- 17.2.1.11 all other documentation and evidence reasonably requested by the Vendor in order to establish the due authorization and completion of and effectively implement the Transaction.

### 17.3 Closing Deliveries of the Vendor

- 17.3.1 At the Closing Date, subject to satisfaction of all the conditions in Article 16 that have not been waived in writing by the Purchaser, the Vendor shall deliver to the Purchaser the following in form and substance satisfactory to the Purchaser acting reasonably:
  - 17.3.1.1 the Deed of Sale;
  - 17.3.1.2 an acknowledgement, assumption and undertaking agreement, in form and substance approved by the Vendor and Purchaser, each acting reasonably, with respect to all Assumed Liabilities;
  - 17.3.1.3 a bill of sale in respect of the Movable Assets;
  - 17.3.1.4 copies of resolutions of the board of directors and/or shareholders of the Vendor authorizing the entering into and completion of the Transaction;
  - 17.3.1.5 discharges and/or releases of all Encumbrances affecting the Assets other than Permitted Encumbrances or copies of payout letters in case the Encumbrances are to be repaid out of the sale proceeds and discharged thereafter;
  - 17.3.1.6 the Leaseback Agreement;
  - 17.3.1.7 the Processing Space Lease Agreement;

17.3.1.8 the Cannabis Supply Agreement;

17.3.1.9 the Vendor's Closing Certificate; and

17.3.1.10 all other documentation and evidence reasonably requested by the Purchaser in order to establish the due authorization and completion of and effectively implement the Transaction.

**17.4 Licenses.** During the Interim Period and following the Closing Date, the Parties agree to collaborate and assist each other in determining and completing all formalities required by any Governmental Authority, including Health Canada, in order to obtain or modify, by whichever avenue is deemed most expedient, the cultivation and processing licenses required for the activities to be performed on the Property by the Purchaser and the Vendor, as the case may be. Should that mean applying for new licenses with Health Canada, the Vendor shall provide full support to the Purchaser in this endeavour. All documentation relevant to the license application for the Property, including but not limited to GPP documentation, physical security, site and building plans (including electrical, HVAC, flow of material, etc.) and notices to local authorities shall be provided by the Vendor to the Purchaser in a timely manner in order to expedite the application for new licenses. For more clarity, the Parties acknowledge that this Section does not constitute a closing condition to the Transaction.

**17.5 Innovation Steel Structure.** The Vendor acknowledges and confirms that the Innovation Steel Structure is available for shipment to the Property. For clarity, any arrangement relating to the delivery of the aforementioned Innovation Steel Structure shall be (i) discussed between the Parties during the Interim Period and (ii) at the sole costs and expenses of the Purchaser.

**17.6 Hydro-Québec – Deposit.** No later than one (1) Business Day prior to the Closing Date, the Purchaser shall deposit with the Escrow Agent the required cash deposit or letter of credit required pursuant to the High Voltage Contribution Agreement to be entered into between the Purchaser and Hydro-Québec on or before the Closing Date, and upon completion of Closing, the Escrow Agent shall wire the aforesaid cash deposit or letter of credit to Hydro-Québec in accordance with the aforesaid agreement.

## **18 ESCROW AGENT**

**18.1** The Parties hereby irrevocably authorize and direct the Escrow Agent to make such payments in the manner and at the times hereinbefore directed or as otherwise provided in this Agreement.

**18.2** The Parties agree that the Escrow Agent shall be a mere trustee with respect to the Deposit, and if a dispute arises between the Vendor and the Purchaser regarding the manner in which the Deposit is to be disbursed, the Escrow Agent shall be entitled to refuse to disburse the Deposit until the Parties agree regarding the manner in which the Deposit shall be disbursed. Failing such an agreement, the Escrow Agent and any other Party shall be entitled, without any obligation, to bring an application to court to pay the Deposit into court and following such

payment into court, the Escrow Agent shall be fully, finally and absolutely relieved of and released from, all liability with respect thereto.

- 18.3 Nothing in the present section nor the role of the Escrow Agent as holder of the Deposit shall be interpreted as disqualifying the Escrow Agent to represent the Vendor or the Purchaser on any matter relating to this Agreement. The Parties agree to release and discharge the Escrow Agent from any liability regarding its role as the Deposit holder, except for gross fault, gross negligence or wilful misconduct.

## **19 CONFIDENTIALITY**

- 19.1 The Purchaser acknowledges, covenants and agrees that the Confidential Information is confidential and will be kept confidential, and will not be: (i) used in any way detrimental to the Vendor, (ii) disclosed, without the prior written consent of the Vendor, by the Purchaser or by its Representatives, in any manner whatsoever, in whole or in part, (except to the Purchaser's lenders and advisors, as the case may be) or (iii) used by the Purchaser, or any of its Representatives, other than in connection with the Transaction for the purpose of evaluating the Transaction. This confidentiality obligation shall survive the resolution, or termination of this Agreement.
- 19.2 If this Agreement is terminated by the Purchaser pursuant to the provisions hereof or if the Transaction is not completed on the Closing Date for any reason whatsoever, the Confidential Information shall be returned to the Vendor immediately upon request.
- 19.3 There may be a public announcement by the transaction herein contemplated by a press release following execution of this Agreement. Furthermore, the Parties agree that they will work cohesively and transparently on any press release that will be made public and any press release to be issued by either of the Parties will require approval by the other Party prior to dissemination, with both Parties acting reasonably.

## **20 GENERAL**

- 20.1 **Notices.** Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier, facsimile or email (confirmed by facsimile or email, as applicable, as received) and addressed:

20.1.1 If to Purchaser:

Cannara Biotech (OPS) Inc.  
333 Decarie Boulevard, Suite 200  
Saint-Laurent, Quebec, H4N 3M9  
c/o Zohar Krivorot, Nicholas Sosiak

email: [REDACTED] *[Redacted; confidential information]*

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

De Grandpré Chait LLP  
800 René-Lévesque Boulevard West, 26th Floor,  
Montreal, Quebec, H3B 1X9  
c/o Marc J. Rubin

email: [Redacted] *[Redacted; confidential information]*

20.1.2 If to Vendor:

Medican Organic Inc.  
A-200-6205 RD Airport  
Mississauga Ontario L4V1E3  
c/o: Marc Cernovitch

email: [Redacted] *[Redacted; confidential information]*

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

Langlois Lawyers, LLP  
1250 René-Lévesque Blvd West, Suite 2000  
Montreal, Quebec, H3B 4W8  
c/o: Mylany David

email: [Redacted] *[Redacted; confidential information]*

20.1.3 If to Escrow Agent:

Litvack Alain Notaires  
3500 Maisonneuve Blvd W #1050,  
Westmount, Quebec H3Z 3C1  
c/o: Aaron Litvack

email: [Redacted] *[Redacted; confidential information]*

## 20.2 **Costs and Expenses**

20.2.1 Each Party will pay its respective costs and expenses incurred in connection with this Agreement, the Closing documents, all other documents and instruments executed or delivered pursuant thereto and the transactions contemplated by them and any other costs and expenses whatsoever and howsoever incurred, including the fees and expenses of legal counsel, investment advisers, brokers and accountants.

20.2.2 Each Party will indemnify and save harmless the other from and against any claim for any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions hereunder. For more certainty, the Vendor acknowledges and agrees that it has retained the services of BMO Capital Markets Real Estate Inc., and that it shall be Vendor's sole responsibility to pay the commission

or other fees of BMO Capital Markets Real Estate Inc., to the complete exoneration of the Purchaser.

- 20.3 **Amendment and Waiver.** No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by all Parties. No waiver of any breach of any provision of this Agreement or any waiver or consent to depart from the requirements of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach so waived.
- 20.4 **Assignment.** This Agreement may be assigned by the Purchaser to a third party designated by the Purchaser without the prior written consent of the Vendor, provided that the Purchaser shall remain solidarily liable for all obligations hereunder until Closing, and at which time the Purchaser shall automatically be released of its obligations hereunder.
- 20.5 **Enurement.** This Agreement enures to the benefit of and is binding upon the Parties and their respective heirs, executors, successors and assigns.
- 20.6 **Further Assurances.** Each Party shall execute and deliver, or cause to be executed and delivered, all additional conveyances, transfers and other assurances as may be reasonably necessary or desirable to carry out the intent of this Agreement and the Transaction.
- 20.7 **Severability.** Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement, or of that provision in any other jurisdiction.
- 20.8 **Counterparts.** This Agreement may be executed in counterparts and by the affixing of an electronic signature and delivered by means of facsimile or electronic transmission (PDF, image or other format), each such counterpart when so executed and delivered constitutes an original, and all such counterparts together shall constitute one and the same instrument.
- 20.9 **Entire Agreement.** This Agreement, including its preamble and its schedules, if any, constitutes the entire agreement between the Parties and cancels and supersedes all prior understandings, negotiations, communications and agreements, oral or written, with regards to the transactions contemplated by this Agreement.
- 20.10 **Non-Renunciation.** The fact that a Party hereto does not insist on the full performance of any of the undertakings contained herein or does not always exercise the rights provided herein must not be considered in the future as a renunciation to such rights or to the performance of such undertakings. Except as expressly provided, any renunciation by one of the Parties to any of its rights is effective only if it is in writing and such renunciation shall only be applicable to the rights and circumstances expressly provided in such renunciation.

**20.11 Governing Law.** This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Quebec and the laws of Canada applicable therein, without giving effect to the conflict of law provisions which would result in the application of the laws of any other jurisdiction.

**20.12 Language.** The Parties confirm that it is their wish that this Agreement and any other documents delivered or given under this Agreement, including notices, have been and will be in the English language only. *Les Parties aux présentes confirment leur volonté que cette convention ainsi que tous les documents s'y rattachant, y compris les avis, soient rédigés dans la langue anglaise seulement.*

[Signature Page Follows]

**IN WITNESS WHEREOF** the Parties have duly executed this Agreement on the date first abovementioned.

**MEDICAN ORGANIC INC.**

Per: /s/ Marc Cernovitch  
Marc Cernovitch  
Executive Vice President, Project  
operations

and  
Per: /s/ Sean Bovingdon  
Sean Bovingdon  
CFO

**CANNARA BIOTECH (OPS) INC.**

Per: \_\_\_\_\_  
Name: Zohar Krivorot  
Title: President



**IN WITNESS WHEREOF** the Parties have duly executed this Agreement on the date first abovementioned.

**MEDICAN ORGANIC INC.**

Per: \_\_\_\_\_  
Marc Cernovitch  
Executive Vice President, Project  
operations

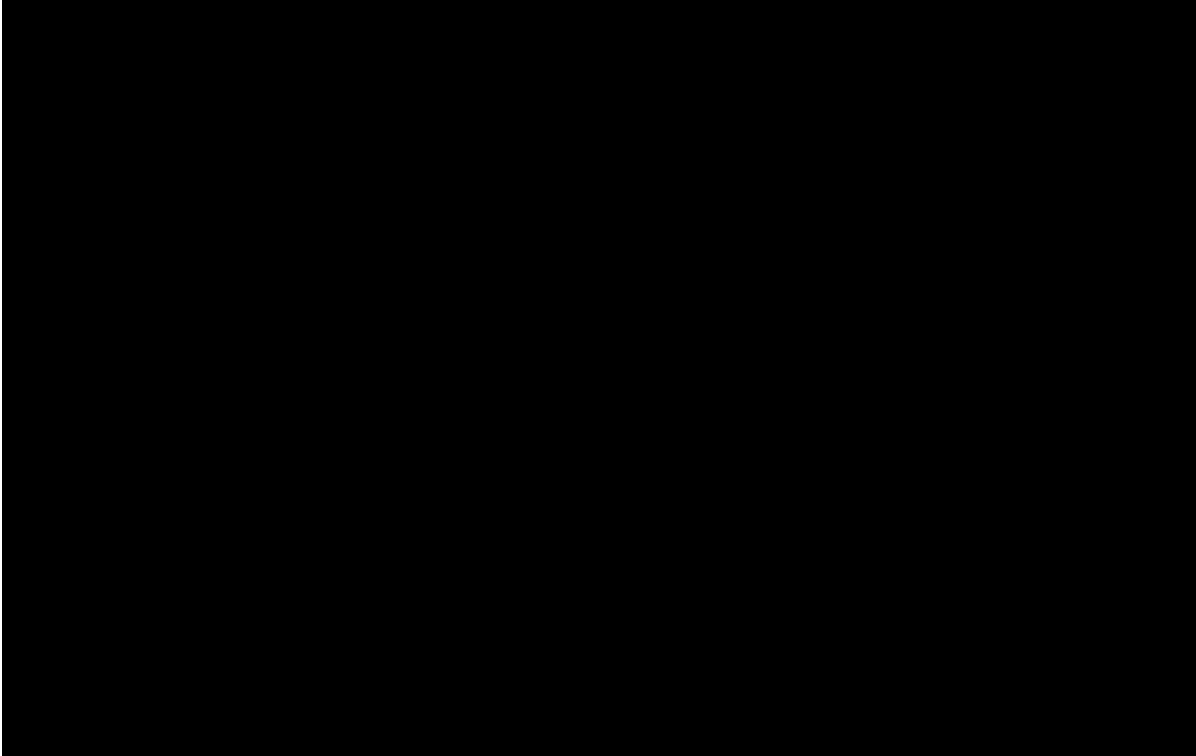
and  
Per: \_\_\_\_\_  
Sean Bovingdon  
CFO

**CANNARA BIOTECH (OPS) INC.**

Per:       /s/ Zohar Krivorot        
Name: Zohar Krivorot  
Title: President

**SCHEDULE 1.1.3**

**ASSETS** *[Redacted; sensitive competitive information]*

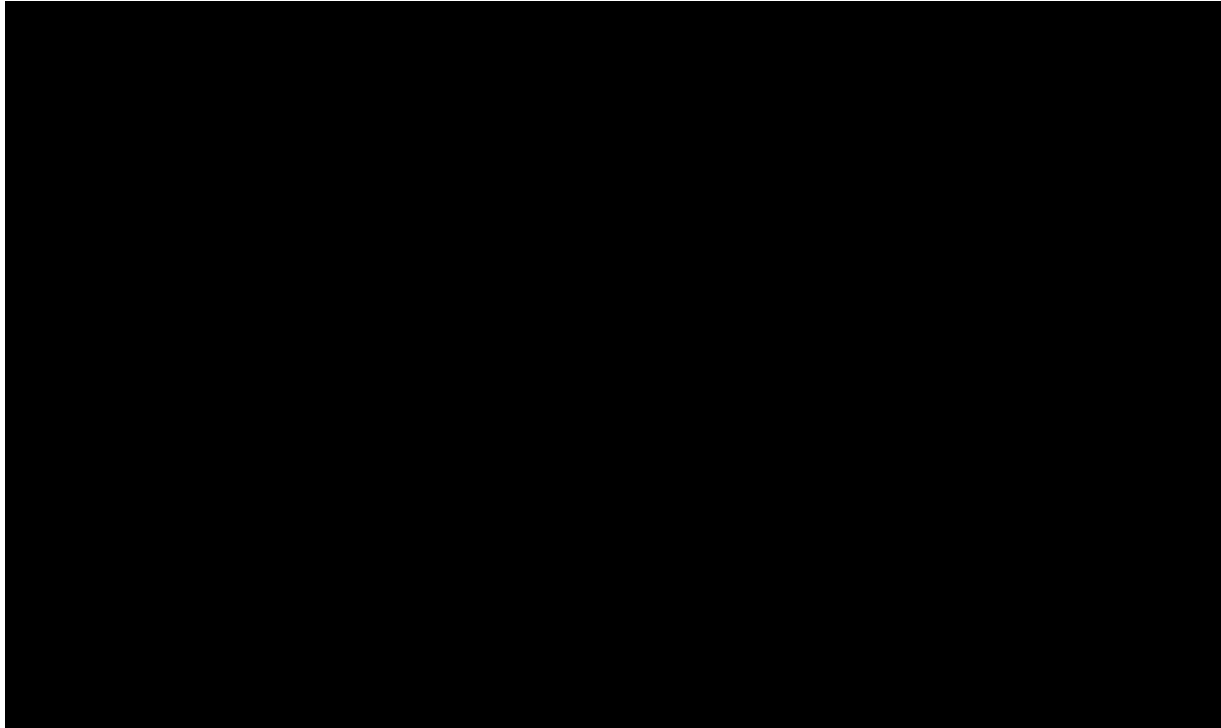


**SCHEDULE 1.1.4  
ASSUMED CONTRACTS**

- Agreement – Economic Development Rate (*Entente – Tarif de développement économique*) made between Medican Organic Inc. and Hydro-Québec as of December 14, 2018.
- Confirmation of the characteristics of your electricity service subscription (*Confirmation des caractéristiques de votre abonnement au service d'électricité*) as of November 4, 2020.
- Bulk Supply Agreement made between Medican Organic Inc and Air Liquide Canada Inc. as June 27, 2019, and its amendments.
- Services Contract made between Medican Organic Inc. and Énergir L.P., as of April 25, 2018.
- Lease entered into with Goupe SGM in connection with the temporary power distribution.
- Lease entered into with Pompes et Filtration Mirabel in connection with the water softner.
- Lease entered into with Dickie Moore in connection with the security booth.
- Lease entered into with United Rental in connection with the panels electrical distribution irrigation room and boiler room.

**SCHEDULE 1.1.20  
EXCLUDED ASSETS**

*[Redacted; sensitive competitive information]*



**SCHEDULE 1.1.29  
MOVABLE ASSETS**

*[Redacted; sensitive competitive information]*



**SCHEDULE 1.1.40  
TRANSFERRED PERMITS**

- Authorization No. 401872482 issued by the Ministry of the Environment and the Fight against Climate Change to Medican Organic Inc. for the installation and operation of three 11 MW low pressure boilers and the installation and operation of the filtration system for the ancillary cannabis cultivation building for cannabis drying and dated as of December 16, 2019.

**SCHEDULE 3.2**  
**PURCHASE PRICE ALLOCATION**  
*[Redacted; sensitive competitive information]*



### SCHEDULE 11.1.3 ENCUMBRANCES

- Conventional hypothec without delivery to [REDACTED], registered in the register of personal and movable real rights (the "RPMRR") on April 22, 2020 under number 20-0349394-0001, [REDACTED].  
[REDACTED]. *[Redacted; sensitive competitive information]*
- Conventional hypothec without delivery to [REDACTED], registered in the RPMRR on December 19, 2019 under number 19-1437062-0002, [REDACTED].  
[REDACTED]. *[Redacted; sensitive competitive information]*
- Conventional hypothec without delivery to [REDACTED], registered in the RPMRR on December 19, 2019 under number 19-1437062-0003, [REDACTED].  
[REDACTED]. *[Redacted; sensitive competitive information]*
- Immovable hypothec to [REDACTED], registered in the Quebec Land Register on April 21, 2020 under number 25 325 262, [REDACTED].  
[REDACTED]. *[Redacted; sensitive competitive information]*
- Immovable hypothec to [REDACTED], registered in the Quebec Land Register on December 19, 2019 under number 25 123 090, [REDACTED].  
[REDACTED]. *[Redacted; sensitive competitive information]*
- Immovable hypothec to [REDACTED], registered in the Quebec Land Register on December 19, 2019 under number 25 123 051, [REDACTED].  
[REDACTED]. *[Redacted; sensitive competitive information]*

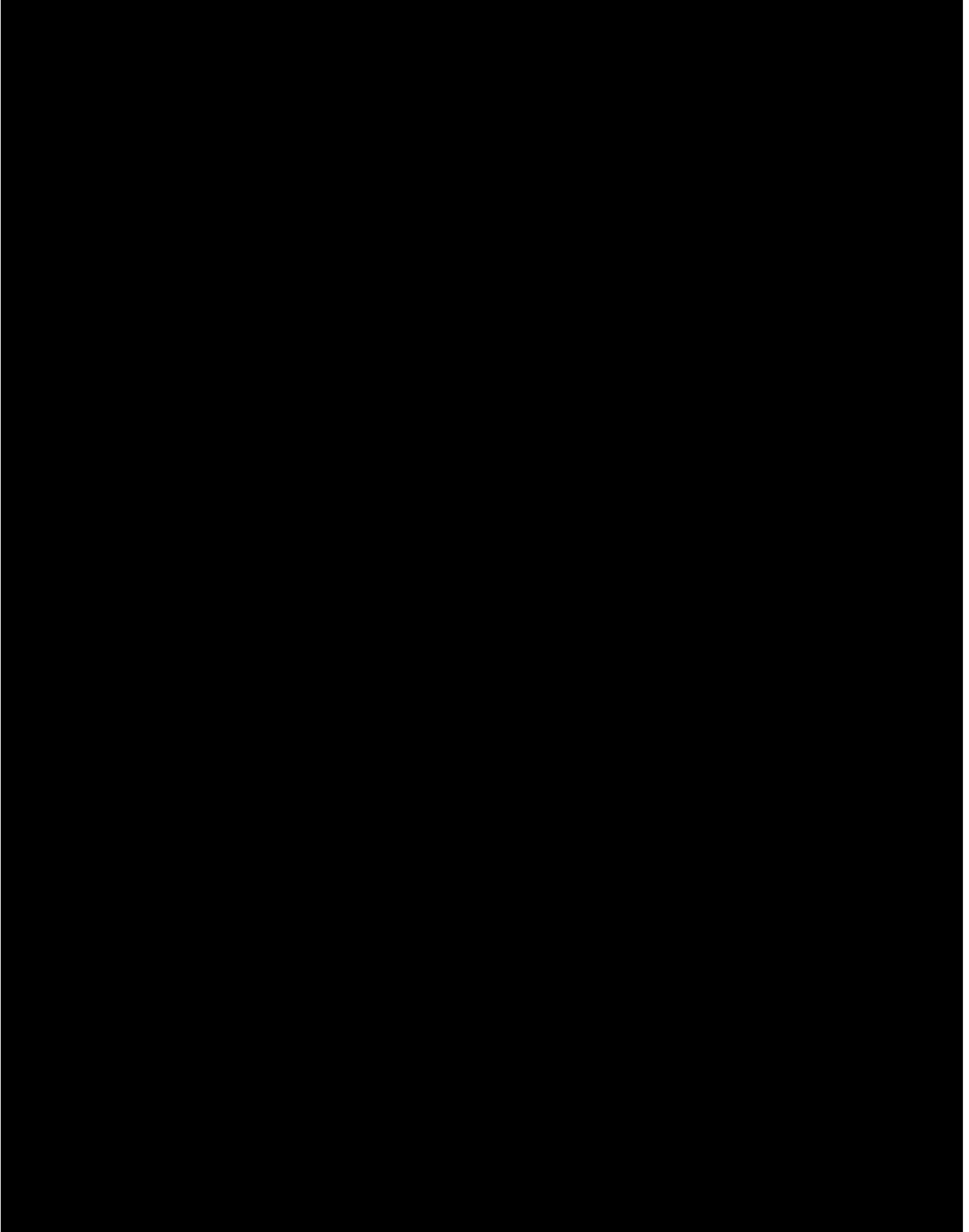


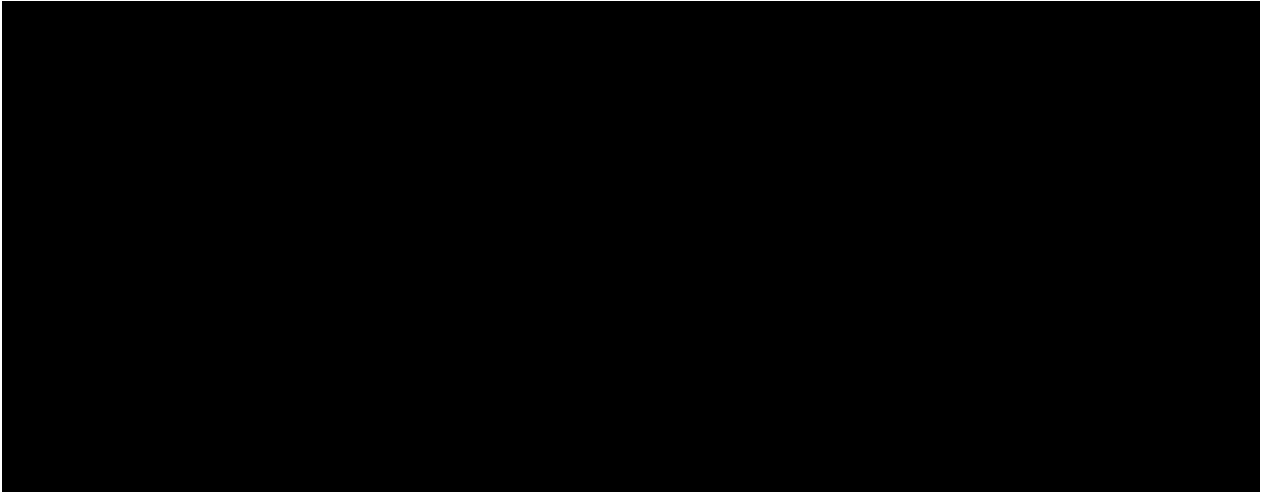
**SCHEDULE 11.1.10  
EXPROPRIATION, NON CONFORMITY & LITIGATION**

- Contestation of Property's tax assessment.

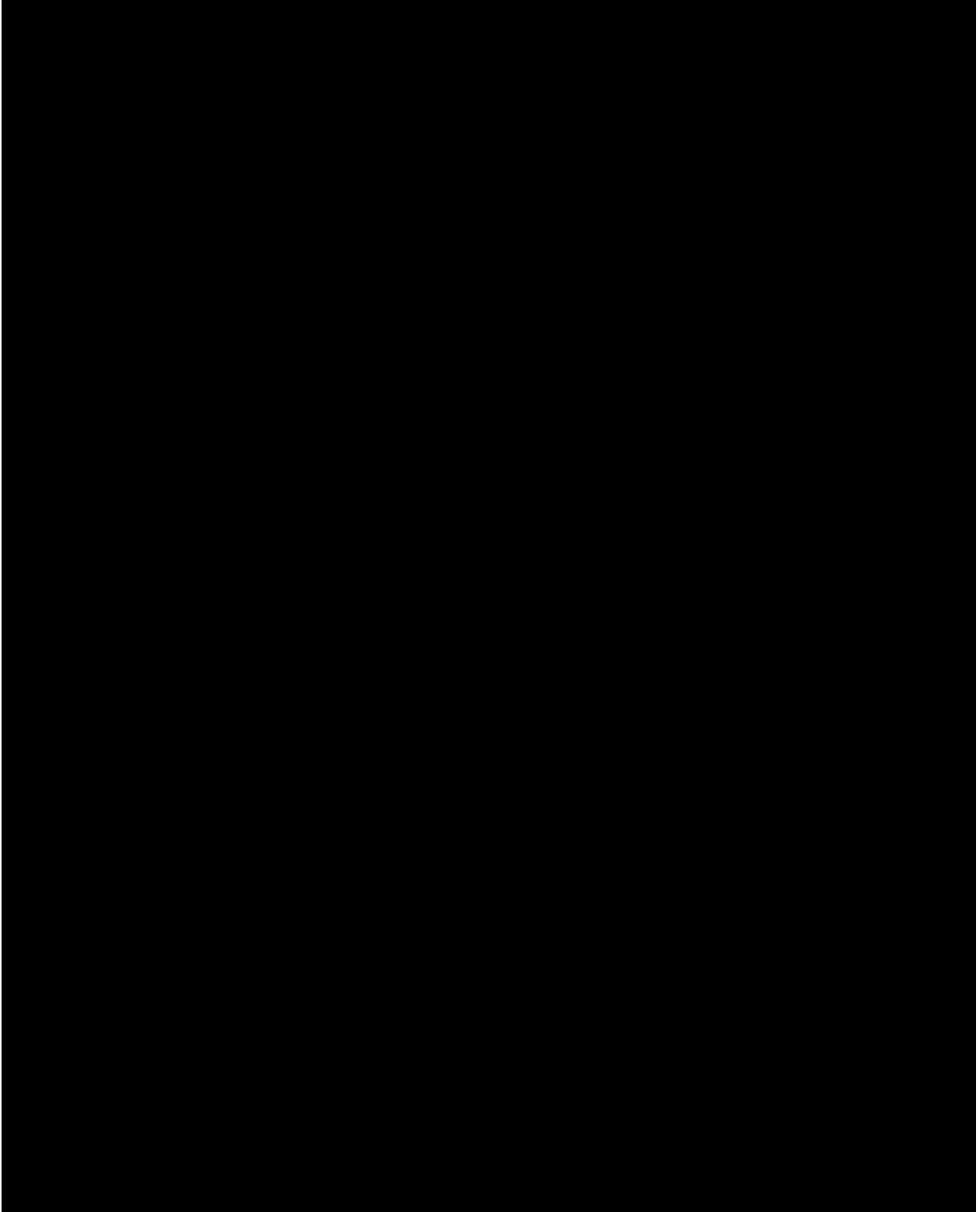
**SCHEDULE 14.2.4  
LEASEBACK AGREEMENT**

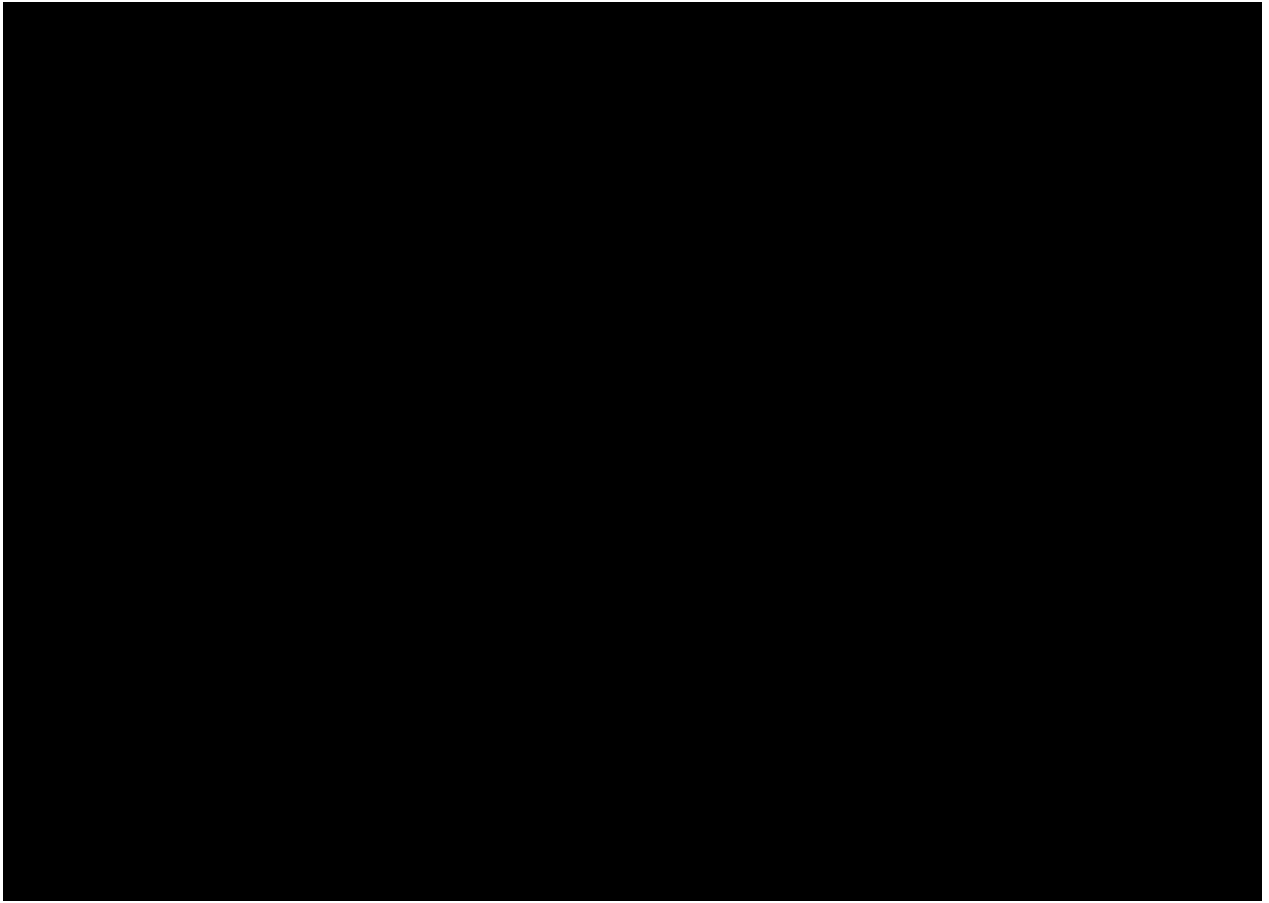
*[Redacted; sensitive competitive information]*





**SCHEDULE 14.2.5**  
**PROCESSING SPACE LEASE AGREEMENT**  
*[Redacted; sensitive competitive information]*





**SCHEDULE 14.2.6**  
**CANNABIS SUPPLY AGREEMENT**  
*[Redacted; sensitive competitive information]*

