TRANSCANNA HOLDINGS INC.

Notice of Annual General and Special Meeting of Shareholders and Management Information Circular

Dated as of March 29, 2023

Place: 217 Daly Avenue, Modesto, California
Time: 10:00 a.m. Pacific Time
Date: April 28, 2023

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

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY

The Board unanimously recommends that Shareholders vote FOR the Transaction Resolution and FOR the Call Option Resolution

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the shareholders of **TransCanna Holdings Inc.** (the "**Company**") will be held on April 28, 2023 at the hour of 10:00 a.m. (Vancouver time) at 217 Daly Avenue, Modesto, California. The Meeting will be held for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended November 30, 2021 (with comparative statements relating to the preceding fiscal period) together with the report of the auditor thereon. See "*Financial Statements*" in the Circular (as defined below);
2. To appoint BF Borgers, Certified Public Accountants, as auditors of the Company and to authorize the directors to fix the auditors' remuneration. See *"Appointment of Auditor"* in the Circular;
3. To determine the number of directors to be elected to the board at three (3);
4. To elect directors. See *"Election of Directors"* in the Circular;
5. To consider, and if deemed advisable, to pass, without or without variation, a special resolution (the "**Transaction Resolution**"), the full text of which is set out in Appendix "A-1" to the accompanying management information circular (the "**Circular**"), approving the transfer of substantially all of the assets or undertaking of the Company in compliance with section 301(1)(b) of the *Business Corporations Act* (British Columbia), all as more particularly described in the Circular;
6. To consider, and if deemed advisable, to pass, without or without variation, a resolution (the "**Call Option Resolution**"), the full text of which is set out in Appendix "A-1" to the Circular, ratifying the entering into of a certain call option agreement and approving the performance of the Company's obligations thereunder, all as more particularly described in the Circular; and
7. To transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before the shareholders at the Meeting are set forth in the Circular. At the Meeting, shareholders will be asked to approve each of the foregoing items.

The directors of the Company have fixed March 14, 2023 as the record date for the Meeting (the "**Record Date**"). Only shareholders of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment or postponement thereof.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please exercise your right to vote by completing and returning the accompanying form of proxy and deposit it with Odyssey Trust Company. Proxies must be completed, dated, signed and returned to Odyssey Trust Company (Vancouver Office), at 350 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2 by 10:00 a.m. PST (Vancouver time) on April 26, 2023, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed. Mailing voting can be completed at Odyssey Trust Company, 350 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

If you are a non-registered shareholder, please follow the instructions from your bank, broker or other financial intermediary for instructions on how to vote your shares.

IF THE TRANSACTION RESOLUTION AND CALL OPTION RESOLUTION ARE NOT APPROVED AT THE MEETING, THE COMPANY'S SUBSIDIARIES ARE SUBJECT TO FORECLOSURE BY ITS SECURED CREDITOR.

DATED at Vancouver, British Columbia, this 29th day of March, 2023.

BY ORDER OF THE BOARD OF DIRECTORS OF
TRANSCANNA HOLDINGS INC.

"Bob Blink"

Bob Blink, Chief Executive Officer and Director

MANAGEMENT INFORMATION CIRCULAR

For the 2022 Annual General and Special Meeting to be held on April 28, 2023
(information is as at March 29, 2023, except as indicated)

GENERAL PROXY INFORMATION AND CIRCULAR DISCLOSURE

Persons Making the Solicitation

This Information Circular is being furnished in connection with the solicitation of proxies by the management of TransCanna Holdings Inc. (the "Company") for use at the annual general and special meeting (the "Meeting") of the holders of common shares in the capital of the Company (the "Shareholders") to be held at 217 Daly Avenue, Modesto, California, at 10:00 a.m. (Vancouver time) for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation of proxies will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. The Company may reimburse 'Shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute proxies. All costs of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY**. A Proxy will not be valid unless the completed, dated and signed Proxy is received by Odyssey Trust Company at 350 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2 by 10:00 a.m. (Vancouver time) on April 26, 2023 or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed. Internet voting can be completed at https://login.odysseytrust.com/pxlogin, and mailing voting can be completed at Odyssey Trust Company, 350 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

A Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the office of the Company, at 2489 Bellevue Avenue, West Vancouver, British Columbia, V7V 1E1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

If you are a non-registered Shareholder, please follow the instructions from your bank, broker or other financial intermediary for instructions on how to revoke your voting instructions.

Exercise of Discretion

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy and, where a choice with respect to any matter to be acted upon has been specified in the

Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made. **If you do not provide instructions in your Proxy, the persons named in the enclosed Proxy will vote your shares FOR the matters to be acted on at the Meeting.**

The persons named in the enclosed Proxy will have discretionary authority with respect to any amendments or variations of these matters or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment or other item of business that comes before the Meeting is routine or contested. The persons named in the enclosed Proxy will vote on such matters in accordance with their best judgment. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

Advice to Non-Registered (Beneficial) Shareholders

The information set out in this section is important to many Shareholders as a substantial number of Shareholders do not hold their shares in their own name.

Only registered Shareholders or duly appointed proxyholders for registered Shareholders are permitted to vote at the Meeting. Most of the Shareholders are "non-registered" Shareholders because the shares they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank, or trust company through which they purchased the shares.

More particularly, a person is not a registered Shareholder in respect of shares of the Company which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either (a) in the name of an intermediary (the "**Intermediary**") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, and similar plans), or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively referred to as the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies (such as Broadridge Investor Communication Solutions) to forward the Meeting Materials to Non-Registered Holders. Generally, if you are a Non-Registered Holder and you have not waived the right to receive the Meeting Materials you will either:

(a) be given a form of **proxy which has already been signed by the Intermediary** (typically by a facsimile stamped signature) which is restricted to the number of shares beneficially owned by you, but which is otherwise not complete. Because the Intermediary has already signed the proxy, this proxy is not required to be signed by you when submitting it. In this case, if you wish to submit a proxy you should otherwise properly complete the executed proxy provided and deposit it with **Odyssey Trust Company**, as provided above; or

(b) more typically, a Non-Registered Holder will be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**proxy**", "**proxy authorization form**" or "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page printed form, the voting instruction form will consist of a regular printed proxy accompanied by a page of instructions that contains a removable label containing a bar-code and other information. In order for the proxy to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the proxy, properly complete and sign the proxy **and return it to the Intermediary or its service company (<u>not</u> the Company or Odyssey**

Trust Company) in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares that they beneficially own. If you are a Non-Registered Holder and you wish to vote at the Meeting in person as proxyholder for the shares owned by you, you should strike out the names of the management designated proxyholders named in the proxy authorization form or voting instruction form and insert your name in the blank space provided. **In either case, you should carefully follow the instructions of your Intermediary, including when and where the proxy, proxy authorization or voting instruction form is to be delivered.**

The materials with respect to the Meeting are being sent to both registered Shareholders and Non-Registered Holders who have not objected to the Intermediary through which their shares are held disclosing ownership information about themselves to the Company ("**NOBOs**"). If you are a NOBO, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary on your behalf.

If you are a Non-Registered Holder who has objected to the Intermediary through which your shares are held disclosing ownership information about you to the Company (an "**OBO**"), you should be aware that the Company does not intend to pay for Intermediaries to forward the materials with respect to the Meeting, including proxies or voting information forms, to OBOs and therefore an OBO will not receive the materials with respect to the Meeting unless that OBO's Intermediary assumes the cost of delivery.

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

Other than as disclosed elsewhere in this Information Circular, none of the current directors or executive officers, no proposed nominee for election as a director, none of the persons who have been directors or executive officers since the commencement of the last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

RECORD DATE AND QUORUM

The board of directors (the "**Board**") of the Company have fixed the record date for the Meeting at the close of business on March 14, 2023, (the "**Record Date**"). Holders of record of common shares of the Company ("**Common Shares**") as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, except to the extent that any such shareholder transfers any shares after the Record Date and the transferee of those shares establishes that the transferee owns the shares and demands, not less than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Under the Company's current Articles, the quorum for the transaction of business at the Meeting consists of at least two persons, present in person or represented by proxy, who in the aggregate hold at least 5% of the voting rights attached to issued common shares entitled to be voted at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares issuable in series. As at the Record Date, there were 139,477,162, Common Shares issued and outstanding, each carrying the right to one vote and nil preferred shares issued and outstanding. The Common Shares are listed on the Canadian Securities Exchange (the "**CSE**") under the trading symbol "TCAN".

Only shareholders of record of Common Shares at the close of business on the Record Date, who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

As at March 29, 2023, to the knowledge of the directors and senior officers of the Company, and based on the Company's review of the records maintained by Odyssey Trust Company, electronic filings with System for Electronic Document Analysis and Retrieval (SEDAR) and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), no person owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of the Company, no proposed nominee for election as a director of the Company and no associate of any of the foregoing persons has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Information Circular, no "informed person" of the Company (including a director, officer or individual or corporation that beneficially owns or controls 10% or more of the issued and outstanding voting securities of the Company), proposed nominee for election as a director of the Company ("**proposed director**"), or any associate or affiliate of any informed person or proposed director, has any material interest, direct or indirect in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. See "*Interest of Certain Persons or Companies in the Matters to be Acted Upon*".

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

Financial Statements

The Shareholders will receive and consider the audited financial statements of the Company for the fiscal year ended November 30, 2021 together with the auditor's report thereon. A copy of the financial statements is available for review on www.sedar.com.

Fixing Number of Directors

The Board currently consists of three (3) directors. It is proposed to fix the number of directors of the Company to be elected at the Meeting at three (3) directors. This requires the approval of the shareholders by an ordinary resolution, which approval will be sought at the Meeting.

Shares represented by proxies in favour of the management nominees will be voted in favour of the resolution fixing the number of directors to be elected at the Meeting at three (3), unless a shareholder has specified in his, her or its proxy that his, her or its shares are to be voted against fixing the number of directors to be elected at the Meeting at three (3).

Election of Directors

The Board currently consists of three directors. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the British Columbia *Business Corporations Act*, each director elected will hold office until the conclusion of the next annual general Meeting of the Company.

The following table sets out the names of management's nominees for election as directors at the Meeting, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercises control or direction, as at the date of this Information Circular.

Name of Nominee, Current Position with Company, State and Country of Residence	Principal Occupation	Period From Which Nominee Has Been Director	Number of Approximate Voting Securities[1]
James R. Blink[2] California, USA Chief Executive Officer, President and Director	Chief Executive Officer and President of TransCanna Holdings Inc. President and a Director of Lyfted Farms, Inc. and Sole Member of Dalvi, LLC	March 6, 2020	11,014,290
Joshua Baker[2] California, USA Director	President, CEO and CFO of Red River Construction LLC and President, CEO and CFO of Baker Construction Consulting. President and CEO of Natural Supplements Inc.	April 9, 2021	229,837
Travis Heilman[2] California, USA Director and Director of Supply Chain Management	Director of Supply Chain Management of TransCanna Holdings Inc.	October 17, 2022	206,644

Notes:
1. Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.
2. Member of Audit Committee.

The Board has established an Audit and Compensation Committee (the "**Audit Committee**"), details of which are provided under the heading "*Statement of Corporate Governance*".

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. **The persons named in the enclosed form of proxy intend to vote for the election of all of the nominees whose names are set forth above.**

Except as noted below, as at the date of this Information Circular and within the ten years before the date of this Information Circular, no proposed director:

(a) is or has been a director or executive officer of any Company (including the Company), that while that person was acting in that capacity:

i. was the subject of a cease-trade order or similar order or an order that denied the relevant Company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

ii. was subject to an event that resulted, after the director or executive officer ceased to be a

director or executive officer, in the Company being the subject of a cease trade or similar order or an order that denied the relevant Company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

iii. within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has within 10 years before the date of the Information Circular became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officers or shareholders.

Appointment of Auditor

Management recommends the appointment of BF Borgers, Certified Public Accountants, of Vancouver, British Columbia, the present auditor, as the auditor of the Company to hold office until the close of the next annual meeting of the Shareholders. BF Borgers, Certified Public Accountants has been the Company's auditor since November 17, 2022.

Shares represented by proxies in favour of the management nominees will be voted in favour of the appointment of BF Borgers, Certified Public Accountants, as auditor of the Company and authorizing the Board to fix the auditor's remuneration, unless a shareholder has specified in his, her or its proxy that his, her or its shares are to be withheld from voting on the appointment of auditor.

Transaction Resolution

In order for the transaction resolution (as set out in Appendix "A-1" attached hereto) (the "**Transaction Resolution**") to be adopted, it must be approved by the affirmative votes cast by not less than a two-thirds majority of the Common Shares represented in person or by proxy at the Meeting that vote on such resolution. **The Board recommends Shareholders vote FOR the Transaction Resolution. The persons named in the enclosed form of proxy intend to vote FOR the Transaction Resolution.**

IF SHAREHOLDERS DO NOT APPROVE THE TRANSACTION RESOLUTION, THE COMPANY IS SUBJECT TO FORECLOSURE BY ITS SECURED CREDITOR.

Please see "*Summary of Background to the Transaction Resolution and Call Option Resolutions"* for further information.

Call Option Resolution

In order for the call option resolution (as set out in Appendix "A-1" attached hereto) (the "**Call Option Resolution**") to be adopted, it must be approved by the affirmative votes cast by disinterested holders of not less than a majority of the Common Shares represented in person or by proxy at the Meeting that vote on such resolution. **The Board recommends Shareholders vote FOR the Call Option Resolution. The persons named in the enclosed form of proxy intend to vote FOR the Call Option Resolution.**

IF SHAREHOLDERS DO NOT APPROVE THE CALL OPTION RESOLUTION, THE SUBSIDIARIES OF THE COMPANY ARE SUBJECT TO FORECLOSURE AND THE GUARANTEE UNDER THE LOAN AGREEMENT MAY BE CALLED BY THE SECURED LENDER.

Please see "*Summary of Background to the Transaction Resolution and Call Option Resolutions"* for further information.

SUMMARY OF BACKGROUND TO THE TRANSACTION AND CALL OPTION RESOLUTIONS

The Loan Agreement

Effective as of July 29, 2022, Pelorus Fund REIT, LLC (the "**Lender**"), Dalvi, LLC, ("**Dalvi**"), Lyfted Farms, Inc. ("**Lyfted Farms**" and together with Dalvi, the "**Borrower**"), the Company and James R. Blink, solely in his individual capacity (the "**Limited Guarantor**" and together with the Company, the "**Guarantor Parties**") entered into that certain Loan Agreement (the "**Loan Agreement**"), whereby the Lender had provided a term loan to the Borrower in the original principal amount of $15,808,000 USD (the "**Loan Amount**") in accordance with the terms and provisions thereof, which Loan Amount, together with all other Obligations (as defined in the Loan Agreement) were secured by a first-priority security interest and lien on the Loan Collateral (as defined herein). The Limited Guarantor is a director and chief executive officer of the Company. A copy of the Loan Agreement is available for review on www.sedar.com. As a result of the occurrence and continuation of certain events of default under the Loan Agreement, the Debt (as defined in the Loan Agreement), including, without limitation, the Loan Amount, accrues interest at 19% per annum. In connection with the Loan Agreement, the Borrower and Guarantor Parties, as applicable, entered into additional Loan Documents (as defined in the Loan Agreement) including, without limitation, the following:

(a) A secured promissory note, in the original principal amount of $15,808,000 USD, dated July 29, 2022 (the "**Note**"), executed by the Borrower;

(b) that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of July 29, 2022 (the "**Deed of Trust**"), executed by Dalvi in favor of Stewart Title Guaranty Company, as Trustee for the benefit of Lender, in respect of the Trust Property (as described in the Deed of Trust);

(c) that certain Security Agreement, dated as of July 29, 2022 (the "**Security Agreement**"), executed by Borrower and Guarantor in favor of Lender, granting a security interest to Lender in all Collateral and Document Related Collateral (each as defined in the Security Agreement and together with the Trust Property, but excluding any Equity Interests owned by Guarantor in any of its subsidiaries, the "**Loan Collateral**");

(d) that certain Assignment of Construction Documents, dated as of July 29, 2022 (the "**Assignment of Contracts**"), executed by Borrower and Guarantor in favor of Lender, assigning and granting a security interest to Lender in and to all rights, title and interests, but not the obligations, under the Contracts (as defined in the Assignment of Contracts); and

(e) that certain Bank Deposit Control Agreement, dated July 20, 2022 (the "**Lyfted Farms DACA**"), executed by and among Lyfted Farms, Lender and BAC Community Bank, providing the Lender with control over the Account (as defined in the Lyfted Farms DACA), thereby perfecting Lender's security interest in the cash in the Account.

The Deed of Trust was properly recorded in the Stanislaus County Recorder's Office, California, on August 2, 2022, as Instrument Number: DOC-2022-0053176, thereby evidencing and establishing the priority of the Lender's liens and security interests upon all of the Trust Property described therein, including without limitation, the real property and improvements located at 217 Daly Ave, Modesto, CA 95354 (APN: 036-017-016-000), to secure all of the Secured Obligations (as defined in the Deed of Trust) and a UCC-1 Fixture Filing was recorded in the Stanislaus County Recorder on July 29, 2022, as Instrument Number: DOC-2022-0052692. The Lender also filed various UCC-1 Financing Statements against the Borrower and the Company and a PPSA Financing Statement against the Company in British Columbia, thereby evidencing and establishing the priority of and perfecting the Lender's liens on and security interests in substantially all of the assets of the Borrower and the Company.

Pursuant to the Loan Agreement, the Company agreed to fully guaranty all Obligations and the Limited Guarantor agreed to a limited recourse guaranty in accordance with the terms of Section 10.2 of the Loan Agreement, which included a full recourse guaranty of all of the Obligations triggered by violations of certain covenants under the Loan Agreement, including the Loan Agreement covenant against the incurrence of Indebtedness other than

Permitted Indebtedness (as defined in the Loan Agreement).

The Deed in Lieu of Foreclosure Agreement

The Company previously announced that it had entered into a Deed in Lieu of Foreclosure Agreement, dated February 13, 2023 (the "**Deed in Lieu**"), by and among the Borrower, Guarantor Parties and the Lender, that provides for, among other things, the transfer at a future closing of substantially all of the Loan Collateral (excluding certain equity interests and contracts) to a designee of the Lender. A copy of the Deed in Lieu is available for review on www.sedar.com. The Lender reserved all rights and remedies under the previously announced Loan Agreement. Unless otherwise defined, all capitalized terms used herein shall have the meanings given to such terms in the Deed in Lieu.

The Borrower and Guarantor Parties acknowledged and agreed that certain events of default exist under the Loan Agreement and such events of default are acknowledged by the Borrower and Guarantor Parties under the Deed in Lieu. The Company further acknowledged that, pursuant to the Deed in Lieu and certain notice letter, dated January 27, 2023, from the Lender to Borrower and the Guarantor Parties, the Borrower and the Guarantor Parties acknowledged that: (i) the Lender has no obligation to disburse additional amounts to Borrower pursuant to the terms of the Loan Agreement and any disbursement or other protective advances may be made at the sole discretion of the Lender, and (ii) to the extent the Lender has elected or in the future elects to make any new money advances to or for the benefit of Borrower or any Guarantor Party, such amounts shall automatically be deemed to be: (1) added to the outstanding Loan Amount under the Loan Agreement, (2) obligations incurred under the Loan Agreement and guaranteed by the Guarantor Parties in accordance with the terms of the Loan Agreement, and (3) secured by all of the Loan Collateral in accordance with the terms of documents auxiliary and additional to the Loan Agreement. As of March 29, 2023, the total amount of outstanding principal and accrued but unpaid interest (including interest accruing at the Default Interest Rate as a result of the Existing Events of Default, to the extent permitted by applicable law) due and owing to the Lender under the Loan Agreement (including, without limitation, protective advances made to the Borrower through such date and fees) is $18,816,877.65 USD.

The Borrower and the Guarantor Parties each acknowledges and agrees that they have determined that the market value of the Loan Collateral does not exceed the Obligations and, as a result, there is no equity remaining in the Loan Collateral. The Borrower and the Guarantor Parties each further acknowledges and agrees that: (i) the Borrower and the Company, as applicable, owns all of the legal and equitable, indefeasible fee simple title to the Loan Collateral, subject only to Permitted Encumbrances and other liens and interests created or perfected by the Loan Documents; and (ii) the Borrower and Guarantor Parties are indebted to the Lender as evidenced by the Note, the Loan Agreement, and the Loan Documents, and the obligations thereunder are secured by validly perfected, first-priority liens and security interests in the Loan Collateral.

The Transactions: Conveyance of Real Property and Personal Property to Lender's Designee

Pursuant to the Deed in Lieu, Dalvi agrees to convey at closing good and indefeasible fee simple title to the Loan Collateral that constitutes real property (the "**Real Property Collateral**") to a designee of the Lender (the "**Designee**") by a deed in lieu of foreclosure (attached as Exhibit "A" to the Deed in Lieu) and Lyfted Farms and the Company agree to transfer and assign to the Designee all Loan Collateral that constitutes personal property (the "**Personal Property Collateral**") (together, the conveyance of the Real Property Collateral and transfer of the Personal Property Collateral and the transactions provided for in the Deed in Lieu, constitute the "**Transactions**"). The Lender's liens on and security interests in the Loan Collateral or any other assets or equity interests subject to security interests of the Lender in favour of the Lender remain valid and in full force and are not released unless and until released in writing by the Lender and recorded in the real property records of the Stanislaus County Recorder's Office, California in the case of any real property release by the Lender. The liens and priority of liens against the Loan Collateral in favour of the Lender and all Loan Documents remain in full force and effect notwithstanding the conveyance of the Real Property Collateral and transfer of the Personal Property Collateral to the Designee. The Designee is acquiring the assets of the cannabis business of Lyfted Farms and Dalvi, without the assumption of any obligations, debts, or liabilities, whether arising on account of the operation of the cannabis business or otherwise.

IN THE EVENT (I) THE DESIGNEE ACQUIRES THE REAL PROPERTY COLLATERAL AND PERSONAL PROPERTY COLLATERAL PURSUANT TO THE DEED IN LIEU OR (II) IN THE

ALTERNATIVE, THE LENDER ENFORCES ITS RIGHTS AND REMEDIES UNDER THE LOAN DOCUMENTS AND APPLICABLE LAW AGAINST THE REAL PROPERTY COLLATERAL AND PERSONAL PROPERTY COLLATERAL, IT IS EXPECTED THAT FOLLOWING EITHER EVENT THE COMPANY AND ITS SUBSIDIARIES WILL NOT DIRECTLY OR INDIRECTLY OWN SUBSTANTIALLY ANY OF ITS CURRENTLY HELD ASSETS.

Conditions to the Implementation of the Transactions

If the Transaction Resolution is approved, implementation of the Transactions is subject to satisfaction (or waiver) of the following conditions (the "**Implementation Conditions**"):

(a) the Borrower and the Company having executed and delivered the Conveyance Documents, as defined in the Deed in Lieu, into escrow with K&L Gates LLP, as counsel to the Lender and the Designee;

(b) the Borrower and the Guarantor Parties have delivered to the Lender the additional documents and information related to closing of the Transactions (the "**Closing**");

(c) the Company has executed and delivered to the Lender a call option agreement in form and substance acceptable to the Lender (the "**Call Option Agreement**") and, if applicable, the transactions contemplated thereby have been approved by the Shareholders;

(d) the Borrower and Guarantor Parties have executed and delivered a release of claims as of the Closing Date in the form attached as Exhibit "I" to the Deed in Lieu;

(e) the Transaction Resolution shall have been approved by the requisite number of votes of the Shareholders and such resolutions remain in full force and effect and holders of not more than one percent (1%) of the common shares of the Company shall have exercised their right to dissent with respect to the Transaction Resolution in accordance with the *Business Corporations Act* (British Columbia);

(f) the Lender has received a title policy commitment in form and substance acceptable to the Lender;

(g) the Lender has received an executed employment agreement for James R. Blink to serve as an executive officer of the Designee at Closing, which employment agreement is in form and substance acceptable to the Lender;

(h) the Lender has received a good standing certificate (or its equivalent) for the Borrower and the Company from the secretary of state or similar Governmental Authority of the jurisdiction under the laws in which each is organized;

(i) the Lender is satisfied that all state and local cannabis licenses required to operate the Loan Collateral will remain in full force and effect before and after being assigned to the Designee at Closing;

(j) no Governmental Authority has enacted, issued, promulgated, enforced or entered any order, writ, judgment, injunction, decree, stipulation, determination or award which is in effect and has the effect of making the transactions contemplated by the Deed in Lieu illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated under the Deed in Lieu to be rescinded following closing thereof;

(k) no Action has been commenced against the Borrower, Guarantor Parties or the Lender which would prevent the Closing and no injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any transaction contemplated under the Deed in Lieu;

(l) the Lender has received executed releases, in form and substance acceptable to the Lender, of all indebtedness from each holder of the Scheduled Indebtedness and any other holder of Indebtedness

(other than trade payables incurred in the ordinary course of business or amounts owing to Lender) owed by the Borrower or the Company (the "**Indebtedness Releases**");

(m) all representations and warranties of the Borrower or any Guarantor Party contained in this Deed in Lieu are true and correct as of the Closing Date and the Borrower and each Guarantor Party have performed and satisfied all covenants contained herein on or before Closing, including the delivery of such information and documentation as is required by the Deed in Lieu; and

(n) the Borrower and the Guarantor Parties shall have delivered to the Lender such other documents, affidavits, certifications, or instruments as the Lender reasonably requests and are reasonably necessary to consummate the transactions contemplated by the Deed in Lieu.

The Company intends that the Transactions will occur on a date to be agreed in writing by and among the Borrower, the Guarantor Parties and the Lender following the satisfaction or written waiver by the Lender of the Implementation Conditions.

However, it is not possible to state with certainty when the effective date of the Transactions will occur. The effective date of the Transactions could be delayed.

Support Agreements

Certain Shareholders (the "**Supporting Shareholders**"), who hold approximately 8.3% of the Common Shares, have each entered into a voting support agreement (the "**Support Agreements**") with the Lender, whereby the Supporting Shareholders have agreed to, *inter alia*, vote or cause to be voted all Common Shares (the "**Subject Shares**") beneficially owned, or over which control or direction is exercised, by such Supporting Shareholder to vote in favour of the Transaction Resolution and Call Option Resolution. The Support Agreements include customary terms and conditions, including, restrictions on disposition of the Supporting Shareholder's Common Shares and voting in favour of the Transaction Resolution and Call Option Resolution (the "**Resolutions**"). The form of Support Agreement is attached hereto as Appendix "A-2".

Fairness Opinion

Evans & Evans, Inc. ("**Evans**") has provided an opinion (the "**Fairness Opinion**") to the Board to the effect that, as of February 6, 2023, and based upon Evans's scope of review and subject to the assumptions made, matters considered and limitations and qualifications set forth therein, that the proposed transaction to transfer substantially all of the Loan Collateral is fair, from a financial point of view to the Company and to the Shareholders (the "**Non-Participating Shareholders**") other than Pelorus Equity Group ("**PEG**"), Pelorus Fund REIT, LLC ("**Pelorus REIT**" and together with PEG, "**Pelorus**"). The Fairness Opinion addressed the fairness of the proposed transaction to the creditors of the Company and its subsidiaries other than Pelorus. The Fairness Opinion was prepared for the sole use of the Board as one factor among others to consider in deciding whether to approve the Transaction. The Fairness Opinion may not be relied upon by any other party. **The full text of the Fairness Opinion is attached as Appendix "A-3" to this Information Circular and Shareholders are encouraged to read the Fairness Opinion carefully and in its entirety.**

The Fairness Opinion describes the scope of the review undertaken by Evans, the assumptions made by Evans, the limitations on the use of the Fairness Opinion, and the basis of Evans' analyses for the purposes of the Fairness Opinion, among other matters. The summary of the Fairness Opinion set forth in this Information Circular is qualified in its entirety by reference to the full text of the Fairness Opinion. Evans has provided its written consent to the inclusion of the Fairness Opinion in this Information Circular.

Evans was engaged by the Company pursuant to an engagement agreement dated December 19, 2022 and amended on January 6, 2023 (the "**Engagement Agreement**"). Pursuant to the terms of the Engagement Agreement, Evans agreed to provide the Board with the Fairness Opinion. In addition, the Engagement Agreement provides that Evans be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances. The terms of the Engagement Agreement provide that Evans is paid a fixed professional fee for its services, no portion of which is contingent on the opinions presented or the completion on any of the transactions contemplated by the Resolutions.

The Fairness Opinion is subject to various assumptions, including but not limited to the following:

(a) Evans has relied, without independent verification, upon the completeness, accuracy, and fair presentation of all financial and other information, business plans, forecasts data, advice, opinions and representations obtained by it from public sources or provided by the Company or its affiliates or any of their respective officers, directors, consultants, advisors or representatives or otherwise (the "**Information**");

(b) Evans has relied upon representations from senior officers of the Company, among other things, stating that: (i) the Information (other than estimates or budgets) provided to Evans orally by an officer or employee of the Company or in writing by the Company (including, in each case, affiliates and their respective directors, officers, consultants, advisors and representatives) to Evans relating to the Company, the Subsidiaries, their affiliates or the Transactions is complete, true and correct in all material respects and did not and does not contain any untrue statement of a material fact in respect of the Company, the Subsidiaries, their affiliates or the Transactions; (ii) with respect to portions of the Information that constitute financial information or budgets, they have been fairly and reasonably presented and prepared, reflecting the best currently available estimates and judgments of the Company and its subsidiaries; and (iii) since the time that information was provided to Evans, there have been, no material changes, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company, the Subsidiaries or any of their affiliates in such information or in factors surrounding the Transactions which would have a material effect on the conclusions in the Fairness Opinion;

(c) **All unsecured creditors of the Company and its affiliates (the "Unsecured Creditors") will be treated equally with respect to the negotiation of the Indebtedness Release.** This is a critical assumption of the Opinion. Such equal treatment would also apply to any current or future payments in the form of cash, securities or payment in kind which is linked to the settlement of the outstanding debt / liabilities as of the date of the Opinion that may be offered to individual Unsecured Creditors and not to all Unsecured Creditors.

In addition, Evans considered, among other things, the following matters:

(a) the Company and its subsidiaries are in default of its secured obligations;

(b) the assessment of the proceeds that would be available to the Non-Participating Shareholders and the Unsecured Creditors, if the Lender ceased funding Company and the Company became unable to operate as a going concern. The Company's primary asset is the land, building and equipment at the Jerusalem Facility and the Daly Facility. While the Daly Facility has a significant book value, much of the work and value is derived from its use as a cannabis cultivation facility. Management estimates that if Lyfted Farms is unable to operate as a going concern, it would not be able to maintain its cannabis licenses, and the proceeds from the sale of the facility would be significantly below book value;

(c) a liquidation scenario for Dalvi, Lyfted Farms and the Company and considered: (i) insolvency or bankruptcy proceedings can take months and requires identifying and securing a partner to fund operations during the proceedings. In the view of Evans, it would be challenging to find a willing funding partner given the significant secured debt due to The Lender; (ii) insolvency and bankruptcy proceedings generally consider secured creditors with higher priority before the next (lower priority) class receives any remaining proceeds; (iii) regulatory creditors may be treated as a priority claim above other unsecured creditors; (iv) debt recovery statistics published by Moody's; and (v) the decrease in first-lien recoveries, according to a March 2022 Fitch Ratings report.

Evans has confirmed that it is not an associated or affiliated entity or insider of the Company. Evans has also confirmed that it has no material ownership position in the Company. None of the fees received by Evans were contingent upon the outcome of the Meeting.

As of February 6, 2023, the date of the Fairness Opinion, based on Evans' scope of review, assumptions and limitations, the proposed Transactions are fair, from a financial point of view, to the Non-Participating Shareholders and the Company. In arriving at this conclusion, Evans considered the following:

(a) The current operations of Lyfted Farms are not generating a sufficient return to result in a value over and above the Loan Amount. While the revenues are expected to increase with the completion and commissioning of the Daly Facility, additional funding is required to complete that facility. Further, in the experience of Evans, cannabis facilities are generally considered special purpose facilities and without licensing, generally sell at a value below their total cost of investment.

(b) In reviewing data on insolvency and non-performing loans, Evans found it was not unreasonable for secured creditors, such as the Lender, to receive the maximum amount of their outstanding debt, if the value of the security is supportive of this analysis. The Lender is currently the only creditor with any security. It is also not unusual for a secured creditor to exercise their rights and remedies to claim rights to the secured assets any collateral negotiated under their lending agreements.

(c) In reviewing data on insolvency and non-performing loans, Evans & Evans found it was not unreasonable for Unsecured Creditors to receive little or no repayment of their outstanding debt.

(d) The Call Option contains no fixed terms with respect to when the Optionee has a right to exercise the Call Option. As such, the Company remains as a guarantor on the Loan Agreement for an indefinite period of time, which makes the Company, in the view of Evans, unfinanceable.

(e) Without any operating assets, remaining creditors and the remaining guarantee on the Loan Agreement and the Call Option, it is unclear how the Company will remain a going concern. However, in the view of Evans & Evans, given the debt position of the Company, there is no value in the equity as of the date of the Opinion.

Dissent Rights

The following is a summary of the provisions of the BCBCA relating to a shareholder's dissent rights in respect of the Transaction Resolution (the "**Dissent Rights**"). Such summary is not a comprehensive statement of the procedures to be followed by a shareholder who exercises the Dissent Rights and is qualified in its entirety by reference to the full text of Sections 237 to 247 of the BCBCA, which are attached to this Information Circular as Schedule "A".

The statutory provisions dealing with the Dissent Rights are technical and complex. Any shareholders wishing to exercise their Dissent Rights should seek independent legal advice, as failure to comply strictly with the provisions of Sections 237 to 247 of the BCBCA may prejudice their Dissent Rights.

Each registered shareholder who fails to exercise the registered shareholder's Dissent Right strictly in accordance with the dissent procedures described below and in the BCBCA will be deemed to have

(a) failed to exercise the Dissent Rights validly, and consequently to have waived the Dissent Rights, and

(b) ceased to be entitled to be paid the fair value of the registered shareholder's Common Shares.

Only registered shareholders are entitled to Dissent Rights. Any non-registered or Beneficial shareholder ("**Non-Registered Holder**") who wishes to dissent should arrange to have his, her or its Common Shares registered in his, her or its name before the applicable deadline for exercising the Dissent Rights or should make arrangements with the registered holder of his, her or its Common Shares to exercise the Dissent Rights on his, her or its behalf.

Pursuant to Section 238 of the BCBCA, every registered shareholder who dissents from the Transaction Resolution (a "**Dissenting Shareholder**") in compliance with Sections 237 to 247 of the BCBCA will be entitled, if the Transaction Resolution becomes effective, to be paid by the Company the fair value of the Common Shares held by such Dissenting Shareholder, such value to be determined at the close of business on the last business

day before the day of the Meeting.

A Dissenting Shareholder must dissent with respect to all Common Shares registered in the name of the Dissenting Shareholder. A registered Shareholder who wishes to dissent must deliver written notice of dissent (a "**Notice of Dissent**") to the Corporation at its office at 2489 Bellevue Avenue, West Vancouver, BC V7V 1E1, and the Notice of Dissent must comply with the requirements of Section 242 of the BCBCA. The Notice of Dissent must be sent to the Corporation at least two business days before the day of the Meeting or any adjournment of the Meeting. Since the date of the Meeting is April 28, 2023, a notice of dissent must be received by the Company no later than 10:00 a.m. (PST) on April 26, 2023 or at least two business days immediately before any date to which the Meeting may be postponed or adjourned.

Any failure by a shareholder to fully comply may result in the loss of that shareholder's Dissent Rights. Non-Registered Holders who wish to exercise Dissent Rights must arrange for the registered shareholder holding their Common Shares to deliver the Notice of Dissent.

The delivery of a Notice of Dissent does not deprive a Dissenting Shareholder of the right to vote at the Meeting on the Transaction Resolution; however, a Dissenting Shareholder is not entitled to exercise the Dissent Rights with respect to any of his, her or its Common Shares if the Dissenting Shareholder votes in favour of the Transaction Resolution. A vote against the Transaction Resolution, whether in person or by proxy, does not constitute a Notice of Dissent.

A Dissenting Shareholder must prepare a separate Notice of Dissent for him or herself, if dissenting on his, her or its own behalf, and for each other person who beneficially owns Common Shares registered in the Dissenting Shareholder's name and on whose behalf the Dissenting Shareholder is dissenting; and must dissent with respect to all of the Common Shares registered in his, her or its name beneficially owned by the Non-Registered Holder on whose behalf he or she is dissenting.

The Notice of Dissent must set out the number of Common Shares in respect of which the Notice of Dissent is to be sent (the "**Notice Shares**") and must include:

(a) if such Common Shares are all of the Common Shares of which the Dissenting Shareholder is both the registered and beneficial owner and the Dissenting Shareholder owns no other Common Shares as beneficial owner, a statement to that effect;

(b) if such Common Shares are all of the Common Shares of which the Dissenting Shareholder is both the registered and beneficial owner but the Dissenting Shareholder owns additional Common Shares as beneficial owner , a statement to that effect and;

  (i) the names of the registered shareholders,

  (ii) the number of Common Shares held by each of those registered shareholders, and

  (iii) a statement that written notices of dissent are being, or have been, sent with respect to all those other Common Shares; or

(c) if the Dissent Rights are being exercised by a registered shareholder on behalf of a beneficial owner of such Common Shares who is not the Dissenting Shareholder, a statement to that effect and:

  (i) the name and address of the beneficial owner, and

  (ii) a statement that the registered owner is dissenting in relation to all of the Common Shares beneficially owned by the beneficial owner that are registered in the registered shareholder's name.

If the Transaction Resolution is approved by the Shareholders and if the Company notifies the Dissenting Shareholders of its intention to act upon the Transaction Resolution, the Dissenting Shareholder is then required within one month after the Company gives such notice, to send to the Company the certificates representing the

Notice Shares and a written statement that requires the Company to purchase all of the Notice Shares. If the Dissent Right is being exercised by the Dissenting Shareholder on behalf of a Non-Registered Holder who is not the Dissenting Shareholder, a statement signed by the beneficial owner is required which sets out whether the beneficial owner is the beneficial owner of other Common Shares and if so, (i) the names of the registered owners of such Common Shares; (ii) the number of such Common Shares; and (iii) that dissent is being exercised in relation to all of those Common Shares. Upon delivery of these documents, the Dissenting Shareholder is deemed to have sold the Common Shares and the Corporation is deemed to have purchased them. Once the Dissenting Shareholder has done this, the Dissenting Shareholder may not vote or exercise any shareholder rights in respect of the Notice Shares.

The Dissenting Shareholder and the Company may agree on the payout value of the Notice Shares; otherwise, either party may apply to the court to determine the fair value of the Notice Shares or apply for an order that value be established by arbitration or by reference to the registrar or a referee of the court. After a determination of the payout value of the Notice Shares, the Company must then promptly pay that amount to the Dissenting Shareholder.

The Company shall not make a payment to a Dissenting Shareholder for his, her or its Notice Shares if there are reasonable grounds to believe that it is or would be after the payment unable to pay its liabilities as they become due, or that the realisable value of its assets would thereby be less than the aggregate of its liabilities. In such event, the Company shall notify each Dissenting Shareholder that it is unable lawfully to pay Dissenting Shareholders for their Notice Shares, in which case a Dissenting Shareholder may, by written notice to the Company within 30 days after receipt of such notice, withdraw such Dissenting Shareholder's Notice of Dissent, in which case the Company is deemed to consent to the withdrawal of such Dissenting Shareholder's Notice of Dissent. If the Dissenting Shareholder does not withdraw his, her or its Notice of Dissent, such Dissenting Shareholder retains status as a claimant against the Company to be paid as soon as the Company is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Company but in priority of its shareholders.

A Dissenting Shareholder loses his, her or its Dissent Right if, before full payment is made for the Notice Shares, the Company abandons the corporate action that has given rise to the Dissent Right (namely the Transaction), the resolution (namely the Transaction Resolution) in respect of which the Notice of Dissent was sent does not pass or is revoked before the corporate action approved or authorized by that resolution is taken, a court permanently enjoins the action or determines that the Dissenting Shareholder is not entitled to dissent, the Dissenting Shareholder votes in favor of the resolution (namely the Transaction Resolution) in respect of which the Notice of Dissent was sent or the Dissenting Shareholder withdraws the Notice of Dissent with the Corporation's consent. When these events occur, the Company must return the share certificates to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise shareholder rights.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. A shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA. Persons who are Non-Registered Holders of Common Shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such Common Shares is entitled to dissent.

Any shareholder wishing to exercise the Dissent Rights should seek his, her or its own legal advice as failure to comply strictly with the applicable provisions of the BCBCA may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process.

Reasons for the Transactions and Underlying Call Option Agreement

The Company operates cannabis cultivation, manufacturing and sales through its material assets, located in Modesto, California, comprised of the land, 12,000 square foot building, and equipment located on Jerusalem Court (the "**Jerusalem Facility**") and the 196,000 square foot facility on 5.5 acres of land located on Daly Avenue (the "**Daly Facility**") and various applicable cannabis nursery, cultivation and type 11 distribution licences. As a whole, the subsidiaries operate as a vertically integrated system in the State of California covering most aspects of the cannabis business from seed to sale including cultivation, processing, distribution

and crop management.

The Company entered into the Loan Agreement in July 2022 in order to refinance existing debt and to pay certain costs associated with the completion of the expansion of the Daly Facility. At the time of the Loan Agreement, the Company had already maximized capacity at the Jerusalem Facility and required further capital to expand the Daly Facility. During 2022, the construction on the Daly Facility did not progress on the originally anticipated schedule, which delayed the onset of projected revenue from the Daly Facility. The Company and its subsidiaries are in default of the Loan Agreement and do not have sufficient cash to continue operations and the projected cash flows of Lyfted Farms remains insufficient to support operations of the Company and its subsidiaries, and to support the debt service owed to the Lender under the Loan Agreement. The Company has not been able to recapitalize its business or otherwise repay the amounts under the Loan Agreement, despite entering into other previously announced debt financings in 2022.

The Company is in default under the Loan Agreement and the assets and operations of the Borrower do not support a value above what is owed under the Loan Agreement. While operations are expected to expand with the completion and commission of the Daly Facility, **the Company does not currently have the financial resources to complete the Daly Facility, maintain its cannabis licences, continue to operate as a going concern and bring it to full production capacity.** The Board has no present intention to file a voluntary petition for relief under Chapter 7 of the United States Bankruptcy Code on behalf of the Subsidiaries due to the inability to find a willing funding partner to sponsor insolvency or bankruptcy proceedings and U.S. federal bankruptcy proceeds are unavailable to the cannabis operating subsidiaries of the Company due to the federal illegality of cannabis. The Board has determined it is in the best interests of the Company and the Borrower to enter into and close the transactions contemplated by the Deed in Lieu to voluntarily transfer the Loan Collateral to the Designee, subject to the existing liens held by and indebtedness owed to the Lender.

The Board considers the approval of the Transaction Resolution and Call Option Resolution (the "**Resolutions**") to be beneficial for the Company and the Borrower, the Company's and the Borrower's respective creditors, employees, and suppliers for the following reasons: (i) the Company and the Borrower have no means of funding operations without continued advances from the Lender, which due to the ongoing events of default, are solely at the discretion of the Lender, (ii) the Lender has indicated to the Board that approval of the Transaction Resolution and Call Option Resolution significantly increases the likelihood that the Lender will elect to make such protective advances to the Company and the Borrower to preserve, protect and maintain the value of the Loan Collateral until the closing of the transactions contemplated by the Transaction Resolution and Call Option Resolution, which continued funding will allow the Company and the Borrower to continue to pay trade creditors, suppliers and employees to the extent necessary to preserve, protect and maintain the value of the Loan Collateral, (iii) the only alternative to the Transaction Resolution and Call Option Resolution would be a foreclosure sale process, receivership or other liquidation process, all of which would incur significant additional cost and expense to get to the same result, which would be to the detriment of the Company's creditors, and (iv) ensuring a smooth transfer of the assets of the Borrower to the Designee presents the best opportunity for the Company's suppliers and employees to be contracted by the Designee, as the Board anticipates that the Designee entity will need to promptly engage employees and suppliers following the closing of the transactions contemplated by the Transaction Resolutions.

It is anticipated that either (i) the Designee will acquire the Real Property Collateral and Personal Property Collateral pursuant to the Deed in Lieu or (ii) the Lender will enforce its rights and remedies under the Loan Documents and applicable law against the Real Property Collateral and Personal Property Collateral. In either event, it is expected that the Company and its subsidiaries will not directly or indirectly own substantially any of its currently held assets following the foregoing and the Company will thereafter derive most of its value from being a publicly traded company. Such value as a publicly traded company will be difficult to realize if the Company remains a guarantor under the Loan Agreement. The mostly likely avenue to removing the Company as a guarantor under the Loan Agreement would be for the transactions contemplated by the Deed in Lieu and Call Option Agreement to close, which would then require the Optionee (under certain circumstances) to subsequently remove the Company as a guarantor under the Loan Agreement pursuant to the terms of the Call Option Agreement (which will result in significant dilution to Shareholders). It is also highly unlikely that the Company would be released as a guarantor under the Loan Agreement if the Resolutions are not approved by the Shareholders. Based on the foregoing, the Board has determined that in the totality of the circumstances it is advisable and in the best interests of the Shareholders to vote in favour of

the Resolutions.

The Call Option

Pursuant to the Deed in Lieu, and as a condition to Closing, the Company and PMG Lyfted Farms, LLC, a designee of the Lender (the "**Optionee**") entered into the Call Option Agreement dated March 29, 2023. The below is a summary of the material terms of the Call Option Agreement which is available for review on www.sedar.com.. **Shareholders are encouraged to read the Call Option Agreement.**

The Call Option Agreement provides the Optionee the right (the "**Call Right**"), but not the obligation, to cause the Company to issue to the Optionee, or such other person as designated by the Optionee, such number of Common Shares as is equal to up to 95% of the issued and outstanding Common Shares as of the applicable date(s) the Common Shares issued in connection with such Call Right are issued (the "**Call Right Closing Date**") (calculated on a fully-diluted basis after giving effect to the shares issued upon exercise of the applicable Call Right) at the Call Purchase Price (as defined below). The purchase price per Common Share at which the Company shall be required to issue the Common Shares (the "**Call Purchase Price**") shall be equal to US$0.00001 per share (subject to any customary adjustments). In further consideration of the Call Right, the Optionee shall cause the Company to be released as a guarantor under the Loan Agreement on the later of: (i) the date wherein the Optionee has acquired 10% or more of the issued and outstanding Common Shares (on a non-diluted basis) pursuant to one or more exercises of the Call Right; and (ii) March 29, 2024. The Optionee shall have no obligation to remove the Company as a guarantor under the Loan Agreement in the event the Optionee does not acquire 10% or more of the issued and outstanding Common Shares (on a non-diluted basis) pursuant to one or more exercises of the Call Right. Until the first Call Right Closing Date, the Company: (a) is restricted from any corporate restructuring, winding up, declaration of dividends; (b) shall allow for a representative of the Optionee to attend and observe any meeting of the Board; and (c) shall use best efforts to maintain its reporting issuer status and timely file requisite government filings.

IN THE EVENT EITHER THE CALL OPTION RESOLUTION OR THE TRANSACTION RESOLUTION IS NOT APPROVED BY THE SHAREHOLDERS, THE RELEASE OF THE COMPANY FROM THE GUARANTY UNDER THE LOAN AGREEMENT IS HIGHLY UNLIKELY TO OCCUR, RESULTING IN THE SHAREHOLDERS LIKELY BEING UNABLE TO REALIZE ANY VALUE WITH RESPECT TO THE COMPANY FOLLOWING EITHER (I) THE CLOSING OF THE TRANSACTIONS, OR (II) IN THE ALTERNATIVE, THE LENDER ENFORCING ITS RIGHTS AND REMEDIES UNDER THE LOAN DOCUMENTS AND APPLICABLE LAW AGAINST THE REAL PROPERTY COLLATERAL AND PERSONAL PROPERTY COLLATERAL.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE CALL OPTION RESOLUTION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Recommendation of the Board

The Board recommends that Shareholders vote in favour of the Transaction Resolution and Call Option Resolution and believes that the Transactions are in the best interests of the Company based on the factors set out above under "*Background and Reasons for the Transactions and Underlying Call Option Agreement*". In reaching this determination, the Board has considered, among other things, the availability of capital, financing and bankruptcy and restructuring options, avoiding foreclosure procedures, the capital requirements to continue operations, and the Fairness Opinion.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE TRANSACTION RESOLUTION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Risk Factors

Shareholders should carefully consider the following risk factors relating to the Transactions and Call Option.

The following risk factors are not a definitive list of all risk factors associated with the Transactions and Call Option. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect the Common Shares. The risk factors enumerated below should be considered in conjunction with the other information included in this Information Circular.

The Company May be Unable to Continue as a Going Concern.

If the Transactions are not implemented and the Company's business operations continue at their current levels, the Company will not be able to generate sufficient cash for its operations. The Company may need to raise additional capital to continue as a going concern. The Company can give no assurances that additional capital will be available to it on favourable terms, or at all. The Company's inability to obtain additional capital, if and when needed, would have a material adverse effect on its financial condition and ability to continue as a going concern.

The Company's business is reliant on the assets of its subsidiaries to generate revenue. Following the closing of the Transactions, such assets will become the property of the Designee and the Company will have no ability to generate revenue under its current business model. The Company will need to raise additional capital to fund any remaining operations and expenses. The Company can give no assurances that additional capital will be available to it on favourable terms, or at all. The Company's inability to obtain additional capital, if and when needed, would have a material adverse effect on its financial condition and ability to continue as a going concern.

A liquidation scenario is not available to the Company due to the inability to find a willing funding partner to sponsor insolvency or bankruptcy proceedings and U.S. federal bankruptcy proceeds are unavailable to the cannabis operating subsidiaries of the Company due to the federal illegality of cannabis.

Potential Effect of the Transactions

There can be no assurance as to the effect of the approval of the Transactions on the Company's relationships with its suppliers, customers, contractors or stakeholders, nor can there be any assurance as to the effect on such relationships of any delay in the closing of the Transactions. To the extent that any of these events result in the tightening of payment or credit terms, increases in the price of supplied goods or services, or the loss of a major supplier, contractor or customer, this could have a material adverse effect on the Company's business, financial condition, liquidity and results of operations. Similarly, current and prospective employees of the Company may experience uncertainty about their future roles with the Company until the Company's strategies with respect to such employees are determined and announced. This may adversely affect the Company's ability to attract or retain key employees in the period until the Transactions are completed or thereafter. The risk, and material adverse effect, of such disruptions could be exacerbated by any delay in the consummation of the Transactions.

The Company's business is reliant on the assets of its subsidiaries to generate revenue. Following the closing of the Transactions, such assets will become the property of the Designee and the Company will have no ability to generate revenue under its current business model. In connection with the closing of the Transactions, the Company will need to terminate most, if not all, suppliers, employees, contractors and will no longer do business with customers. This will have a material adverse effect on the Company's business, financial condition, liquidity and results of operations.

After Implementation of the Call Option, the Optionee will own a significant number of the Common Shares and their interests may conflict with the interests of other Shareholders.

Following the implementation of a full exercise of the Call Right pursuant to the Call Option Agreement, the Optionee (or its designee) will hold an aggregate of 95% of the Common Shares (based on the current issued and outstanding Common Shares, the Optionee (or its designee) would hold on full exercise approximately 1.9 billion Common Shares). Accordingly, the Optionee would have a significant vote in any matter coming before a vote of Shareholders. The interests of the Optionee in the Company's business, operations and financial condition from time to time may not be aligned with, or may conflict with, the interests of other holders of Common Shares. In addition, in order to complete an equity financing after full exercise of the Call Option,

the Company may consolidate its Common Shares at a ratio that will reduce the Common Share holdings of Shareholders substantially.

No Guarantee that the Company will be released as a Guarantor under the Loan Agreement.

Even if the Call Option Resolution is approved, there is no guarantee that the Company will be released as a guarantor under the Loan Agreement if the Optionee does not acquire at least 10% of the Common Shares pursuant to the Call Option. In the event the Company remains a guarantor under the Loan Agreement, the Shareholders may face significant challenges realizing any value with respect to their Common Shares.

The Company May be Required to Pursue Other Alternatives.

Future liquidity and operations of the Company are dependent on the ability of the Company to restructure its debt obligations and to generate sufficient operating cash flows to fund its on-going operations. If the Company does not complete the Transactions, the Company would most likely be subject to receivership or foreclosure proceedings that would result in substantially all of its assets being transferred to the Lender or its designee and would incur additional costs related to such proceedings to the detriment of the Company and its creditors.

Shareholders are Subject to Significant Dilution.

Shareholders' percentage interest in the Company will be substantially diluted if the Call Right is exercised. In addition, restructurings and other issuances of additional Common Shares from time to time may result in diminishment of holdings and dilution to the holders of the Common Shares.

The Transactions may not proceed.

There is no certainty, nor can the Company provide any assurance, that the transfer of the Loan Collateral will be completed pursuant to the Deed in Lieu.

There can be no certainty that Shareholder approval will be obtained.

If the Transaction Resolution is not approved by at least two thirds of the votes cast by Shareholders present at the Meeting or by proxy, the Transactions will not be completed. There can be no certainty, nor can the Company provide any assurance, that the requisite Shareholder approval of the Transaction Resolution or Call Option Resolution will be obtained. In addition, there is no assurance that all of the conditions to the closing of the Transactions will be met. There is no assurance that there will not be Dissenting Shareholders in excess of 1% of the issued Common Shares.

The Company may no longer meet the listing requirements of the CSE.

If the Company proceeds with the Transactions, the Company will have sold substantially all of its assets and the Company may not meet the minimum listing requirements of the CSE and will be subject to a delisting review and potential delisting of its Common Shares from the CSE unless it can complete a transaction that would satisfy the minimum listing requirements of the CSE. The Company may seek a listing on an alternative exchange if it does not meet the minimum listing requirements of the CSE however there can be no assurances that any such listing on an alternative exchange will be obtained.

Limited Funding Sources

The Company has limited sources of funding without an active business, should the Transactions proceed. The primary source of funding would be through equity financings which could be extremely dilutive to the Shareholders. Such equity financings will most likely be required to be completed in order to meet minimum listing requirements of the CSE. However, there can be no assurances that the Company will be able to complete any such equity financings or on terms favourable to the Company.

MANAGEMENT CONTRACTS

The management functions of the Company and its subsidiaries are primarily performed by the directors and executive officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted.

STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this Information Circular:

"CEO" of the Company means an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" of the Company means an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"Executive Officer" of an entity means an individual who is:

(a) the chair of the Company, if any;

(b) the vice-chair of the Company, if any;

(c) the president of the Company;

(d) a vice-president of the Company in charge of a principal business unit, division, or function including sales, finance, or production;

(e) an officer of the Company (or subsidiary, if any) who performs a policy-making function in respect of the Company; or

(f) any other individual who performs a policy-making function in respect of the Company.

"Named Executive Officers or NEOs" means each of the following individuals:

(a) the CEO of the Company;

(b) the CFO of the Company;

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000;

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

As of November 30, 2021 , the Company had three "Named Executive Officers", namely James Robert Blink, CEO, Peter Gregovich, CFO and Alan Applonie, General Manager.

Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V, is a summary compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company's two most recently completed financial years ended November 30, 2021, and 2020. Compensation is reported in Canadian dollars

unless otherwise indicated.

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Stephanie Wesik *President and Director*[2]	2021 2020	150,000[3] 110,000	Nil 160,000[4]	Nil Nil	Nil Nil	213,262[5] 68,606[6]	363,262 338,606
James R. Blink *Chief Executive Officer and Director*[7]	2021 2020	129,957[8] 311,448[8]	Nil Nil	Nil Nil	Nil Nil	152,103[5] Nil	282,060 311,448
Michele Pillon *Former Chief Financial Officer*[9]	2021 2020	Nil 56,000	Nil N/A	Nil N/A	Nil N/A	Nil 24,954[6]	Nil 80,954
Gary Khangura *Former Interim Chief Financial Officer*[10]	2021 2020	150,000 71,000	Nil Nil	Nil Nil	Nil Nil	54,210[5] 1,250[11]	207,864 72,250
Peter Gregovich *Chief Financial Officer*[12]	2021 2020	94,020 Nil	Nil Nil	Nil Nil	Nil Nil	173,754[5] Nil	267,774 Nil
Alan Applonie *General Manager*[13]	2021 2020	129,957 373,738	Nil Nil	Nil Nil	Nil Nil	372,336[5] 305,533[6]	502,293 679,271
Andrzej Kowalski *Director*[14]	2021 2020	Nil Nil	Nil Nil	1,900 Nil	Nil Nil	Nil Nil	1,900 Nil
Joshua Baker *Director*[15]	2021 2020	Nil Nil	Nil Nil	16,109 Nil	Nil Nil	27,655[5] Nil	43,764 Nil
Arni Johannson *Director* [16]	2021 2020	Nil 125,000	Nil Nil	Nil Nil	Nil Nil	Nil 297,211[6]	Nil 422,211
Steve Giblin *Past President and Director* [17]	2021 2020	Nil 253,000	Nil Nil	Nil Nil	Nil Nil	Nil 285,757[6]	Nil 538,757
Ian Klassen *Director* [18]	2021 2020	Nil Nil	Nil Nil	Nil 10,000	Nil Nil	Nil 60,030[6]	Nil 70,030
Peter Vitulli *Director* [19]	2021 2020	Nil Nil	Nil Nil	Nil 7,500	Nil Nil	Nil Nil	Nil 7,500

Notes:

1. Mr. Mason was appointed Chairman on March 18, 2020, and resigned May 23, 2022.
2. Ms. Wesik was appointed President and as a director on May 1, 2020, and resigned on October 16, 2022.
3. This amount was extinguished pursuant to an agreement between the Company and Ms. Wesik on November 30, 2022.
4. This amount represents a payment in shares issued to Ms. Wesik against a bonus declared in March 2020.
5. For 2021, reflects stock option grants, specifically:
   (a) 365,000 granted to Ms. Wesik,
   (b) 275,000 granted to Mr. Blink,
   (c) 100,000 granted to Mr. Khangura,
   (d) 500,000 granted to Mr. Gregovich,
   (e) 666,667 granted to Mr. Applonie, and
   (f) 50,000 granted to Mr. Baker.
6. For 2020, reflects stock option grants, specifically:
   (a) 134,000 vesting from a 200,000 grant during 2019 to Ms. Wesik,
   (b) 200,000 vesting from a 200,000 grant during 2019 to Ms. Pillon,
   (c) 333,333 granted to Mr. Applonie,
   (d) 800,000 vesting from a 1,200,000 grant during 2019 to Mr. Johannson,
   (e) 500,000 vesting from a 750,000 grant during 2019 to Mr. Giblin, and
   (f) 350,000 vesting from a 525,000 grant during 2019 to Mr. Vitulli.
7. Mr. Blink was appointed Chief Executive Officer on April 15, 2020, and as a director on March 6, 2020. Pursuant to board resolution, compensation for services as director of the Company is reserved for independent board members. As such, Mr. Blink collects no director

fees and the amounts represented herein only contain compensation derived from his employment agreement as Chief Executive Officer of the Company.

8. Ms. Pillon was appointed Chief Financial Officer on October 16, 2019, and resigned on July 7, 2020.
9. Mr. Khangura was appointed interim Chief Financial Officer on July 7, 2020 and resigned that position on July 1, 2021.
10. For 2021, reflects stock warrant grant of 25,000 warrants.
11. Mr. Gregovich was appointed Chief Financial Officer on July 1, 2021.
12. Mr. Applonie was appointed General Manager of the Company's subsidiary, TransCanna Management Inc. on June 17, 2019. On July 27, 2021, Mr. Applonie was appointed Chief Operating Officer of the Company, and resigned on March 28, 2022.
13. Andrzej Kowalski was appointed as a Director on September 27, 2021, and resigned on May 23, 2022.
14. Joshua Baker was appointed as a Director on April 9, 2021.
15. Arni Johannson resigned as a Director on April 30, 2020.
16. Steve Giblin resigned as President and as a Director on May 1, 2020.
17. Ian Klassen resigned as a Director on March 17, 2020.
18. Peter Vitulli resigned as a Director on March 18, 2020.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Stock Options and Other Compensation Securities

The following table, discloses all compensation securities granted or issued to each NEO and director by the Company or its subsidiaries in the year ended November 30, 2021, for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of Issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at period ended November 30, 2021 ($)**	**Expiry date**
Stephanie Wesik *President and Director*	Stock Option Stock Option	200,000 165,000	01/19/2021 07/09/2021	$1.00	$0.85 $0.78	$0.57	01/19/2026 07/09/2026
James R. Blink *CEO and Director*	Stock Option	275,000	07/09/2021	$1.00	$0.78	$0.57	07/09/2026
Gary Khangura *Former Interim CFO*	Stock Option	100,000	12/01/2020	$1.00	$0.78	$0.57	12/01/2025
Douglas L. Mason *Director*	Stock Option Stock Option	200,000 50,000	12/01/2020 07/09/2021	$1.00	$0.78	$0.57	12/01/2025 07/09/2026
Alan Applonie *COO*	Stock Option Stock Option	333,333 333,334	01/19/2021 07/09/2021	$1.00	$0.85 $0.78	$0.57	01/19/2026 07/09/2026
Peter Gregovich *CFO*	Stock Option	500,000	07/09/2021	$1.00	$0.78	$0.57	07/09/2026

The following table discloses the total amount of compensation securities held by the NEOs and directors as at November 30, 2021.

Name and Position	Number and type of Compensation Securities
Stephanie Wesik, President	200,000 Stock Options
James R. Blink, CEO	275,000 Stock Options
Douglas L. Mason, Director[1]	250,000 Stock Options
Gary Khangura, Former Interim CFO[2]	100,000 Stock Options
Peter Gregovich, CFO	500,000 Stock Options
Joshua Baker, Director	50,000 Stock Options
Andrzej Kowalski[4]	Nil
Alan Applonie, General Manager[3]	333,333 Stock Options

Notes:

1. Mr. Mason resigned as a director of the company on May 23, 2022.
2. Mr. Khangura resigned as an officer of the Company on July 1, 2021.
3. Mr. Applonie was appointed General Manager of the Company's subsidiary, TransCanna Management Inc. on June 17, 2019. On July 27, 2021, Mr. Applonie was appointed Chief Operating Officer of the Company and resigned on March 28, 2022.
4. Mr. Kowalski resigned as a director of the Company on May 23, 2022.

No other compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified during the year ended November 30, 2021.

No compensation securities were exercised by a director or NEO during the year ended November 30, 2021.

Stock Option Plans and Other Incentive Plans

The only incentive plan maintained by the Company is a 10% rolling Stock Option Plan. The Stock Option Plan is not required to be approved by shareholders on an annual basis. The Stock Option Plan was last approved by shareholders at the Annual General Meeting held on October 27, 2021. The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants of the Company and of its affiliates and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under the Stock Option Plan to purchase Shares.

The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan as the Board may from time to time designate. The exercise prices shall be determined by the Board but shall, in no event, be less than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options, in accordance with the policies of the CSE. The Stock Option Plan provides that the number of all Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares, from time to time. In addition, the number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares. The maximum number of Common Shares reserved for issuance to insiders, within a one-year period, may not exceed 10% of the Common Shares issued and outstanding as at the date of grant of the stock option and to any individual director or officer, within a one-year period, may not exceed 5% of the Common Shares issued and outstanding as at the date of grant of the stock option. Options may be exercised up to 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Options will expire not later than the date which is five years from the date of grant. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. The Board may, in its absolute discretion impose such limitations or conditions on the exercise or vesting of any options granted under the Stock Option Plan as it deems appropriate. On the occurrence of a

takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any option becomes exercisable.

Employment, Consulting and Management Agreements

As at March 20, 2023, the Company has executive employment agreements with:

James Robert Blink in connection with his position as Chief Executive Officer of the Company. There is no written employment agreement in respect of Mr. Blink. The Company and Mr. Blink have an arrangement to pay a base salary of $100,000USD per annum, with annual bonus and the grant of options at the discretion of the Board of Directors or the Executive Committee of the Board of Directors. Mr. Blink may terminate his employment by written notice. Upon receipt of such notice, Mr. Blink will only receive salary earned to the date of termination. The Company may also terminate Mr. Blink's employment for cause or without cause. Should the Company terminate Mr. Blink's employment without cause, the Company must provide Mr. Blink three (3) weeks of base salary, in addition to any vacation accrued but unused, unpaid salary and vacation pay.

Peter Gregovich in connection with his position as Chief Financial Officer of the Company. On July 1, 2021, the Company and Mr. Gregovich entered into an employment agreement in respect of Mr. Gregovich's services as Chief Financial Officer, (the "**Executive Employment Agreement**"). Pursuant to the Executive Employment Agreement, Mr. Gregovich is entitled to a base salary of $180,000USD per annum, a bonus at the discretion of the Board of Directors or the Executive Committee of the Board of Directors, and the grant of 500,000 options exercisable at $1.00CAD and vesting 25,000 on October 1, 2021, 25,000 on January 1, 2022, 25,000 on April 1, 2022, 25,000 on July 1, 2022 and 400,000 stock options to vest according to mutually agreed to performance milestones. There is no term for the Executive Employment Agreement. Mr. Gregovich may terminate his employment by written notice. Upon receipt of such notice, Mr. Gregovich will only receive salary earned to the date of termination. The Company may also terminate Mr. Gregovich's employment for cause or without cause. Should the Company terminate Mr. Gregovich's employment without cause, the Company must provide Mr. Gregovich three (3) weeks of base salary under this agreement, in addition to any vacation accrued but unused, unpaid salary and vacation pay.

Gary Khangura in connection with his position as Controller of the Company. On December 1, 2020, the Company and Mr. Khangura entered into an employment agreement in respect of Mr. Khangura's services as Chief Financial Officer, (the "**Employment Agreement**"), and a subsequent amendment on July 1, 2021 (the "**Employment Agreement Amendment**". Pursuant to the Employment Agreement and Employment Agreement Amendment, Mr. Khangura is entitled to a base salary of $150,000CAD per annum, eligible for Option grants and an annual incentive bonus at the discretion of the Board. There is no term for the Employment Agreement. Mr. Khangura may terminate his employment by providing the Company with sixty (60) days advance written notice. Upon receipt of such notice, Mr. Khangura will only receive any unpaid salary earned to the date of termination. The Company may also terminate Mr. Khangura's employment for cause or without cause. Should the Company terminate Mr. Khangura's employment without cause, the Company must provide Mr. Khangura thirty (30) days' notice or payment of thirty (30) days of his base salary, and any vacation accrued but unused.

Other than those agreements listed above, the Company does not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities. For certainty, no director or NEO will be entitled to any additional payment or acceleration of any compensation as a result of the closing of the Transactions.

Oversight and Description of Director and Named Executive Officer Compensation

The objective of the Company's compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company's

resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long-term incentives in the form of stock options. Finally, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Company does not provide pension or other benefits to the executive officers. The Company does not have pre-existing performance criteria or objectives. All significant elements of compensation awarded to, earned by, paid, or payable to NEOs are determined by the Company on a subjective basis. The Company has not used any peer group to determine compensation for its directors and NEOs.

Executive Compensation Program

Executives are engaged directly as employees and are paid a salary for their services. Base fees of the Company's executive officers are determined through the annual assessment of each individual's performance and experience and other factors the Board and Audit Committee consider to be relevant, including prevailing industry demand for personnel having comparable skills and performing similar duties, the compensation the individual could reasonably expect to receive from a competitor and the Company's ability to pay. See "*Summary Compensation Table*" above for details of the payments made to the Named Executive Officers for the financial years ended November 30, 2021 and November 30, 2020.

Director Compensation

The Company recognizes the contribution that its directors make to the Company and seeks to compensate them accordingly. The Audit Committee is responsible for making recommendations as to director compensation for the Board's consideration and ultimate approval. Each director is entitled to participate in any security-based compensation arrangement or other plan adopted by the Company from time to time with the approval of the Board. The Company may also reimburse its directors for their out-of-pocket costs incurred in attending Board or Board committee meetings. During the financial year ended November 30, 2021, the Company paid $18,100 to its non-executive directors and $17,500 to its non-executive directors for the financial year ended November 30, 2020.

The Board has the responsibility to administer compensation policies related to executive management of the Company, including option-based awards. The Board has approved the Stock Option Plan pursuant to which the Board has granted stock options to executive officers. The Stock Option Plan provides compensation to participants and an additional incentive to work toward long-term company performance.

The Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Exchange, and closely align the interests of the executive officers with the interests of shareholders.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

Pension Disclosure

The Company does not have any pension or retirement plan which is applicable to the NEOs or directors. The Company has not provided compensation, monetary or otherwise, to any person who now or previously has acted as a NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out details of all the Company's equity compensation plans as of November 30, 2021, being the end of the Company's most recently completed financial year. The Company's equity compensation plan consists of its Stock Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders	1,708,333	$1.02	3,623,127
Equity compensation plans not approved by security holders	Nil	N/A	N/A
TOTAL	1,708,333	$1.02	3,623,127

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Composition of the Board

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is composed of a majority of independent directors. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. The Board has three directors, one of which is considered to be independent. Mr. Baker is considered to be independent for the purposes of NI 58-101 and Mr. Blink and Mr. Heilman are not considered to be independent due to their relationships as senior officers.

The Board facilitates its exercise of supervision over Company's management through frequent meetings of the Board.

Mandate of the Board

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to

manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board sets long-term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting Shareholders' interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the audit committee of the Board, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without Board approval, on all ordinary course matters relating to the Company's business.

The Board also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for the appointment of senior management and monitoring of their performance.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board does not hold regularly scheduled meetings without the non-independent directors and members of management. Since the beginning of the Company's last financial year, the independent directors did not hold any ad hoc meetings without the non-independent directors and management.

When a matter being considered involves a director, that director does not vote on the matter. As well, the directors regularly and independently confer amongst themselves and thereby keep apprised of all operational and strategic aspects of the Company's business.

Joshua Baker acts as the Chairman of the Board. In the absence of a Chairman and in accordance with the articles of the Company, the President is entitled to preside over meetings of the directors. Additionally, in the absence of a Chairman, meetings of the Company’s shareholders will also be presided upon by the Company’s President.

Other Directorships

The following is a list of each director of the Company who is also a director of other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction as of the date of this Information Circular:

Name of Director	Name of other Reporting Issuer	Market on which securities are listed
James R. Blink	None	N/A
Joshua Baker	None	N/A
Travis Heilman	None	N/A

Position Descriptions

The Board has not developed written position descriptions for the chair or the chair of any board committees or for the CEO. Given the size of the Company's infrastructure and the existence of only a small number of officers, the Board does not feel that it is necessary at this time to formalize position descriptions in order to delineate their respective responsibilities.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business and industry and on the responsibilities of directors. New directors also receive historical public information about the Company and the mandates of the committees of the Board. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, new directors are encouraged to visit and meet with management on a regular basis and to pursue continuing education opportunities where appropriate.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Under applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interest of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction is a director or officer (or an individual acting in a similar capacity) of a party to the contract or voting on the contract or transaction, unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid, and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

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

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual Meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

Effective November 20, 2017, the Company adopted advance notice provisions within the Articles of the Company (the "**Advance Notice Provision**s").

The Advance Notice Provisions are intended to facilitate an orderly and efficient annual and/or special meeting process and ensure that all shareholders receive adequate notice and information about director nominees. The Advance Notice Provisions provide a clear process for shareholders to follow to nominate directors, and sets out a reasonable time for nominee submissions to be considered.

The Advance Notice Provisions fix a deadline by which holders of record of the Company's common shares must submit director nominations to the Company prior to any annual or special meeting of shareholders, and sets out the information that a shareholder must include in such notice to the Company. In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 days nor more than 65 days prior to the date of the annual Meeting, unless the annual Meeting is to be held less than 40 days after the Meeting was first announced, in which case notice may be made no later than the close of business on the 10th day after the announcement. In the case of a special meeting of the shareholders, notice to the Company must be made no later than the close of business on the 15th day following public announcement of the date of the special Meeting.

Compensation

The Company has established the audit and compensation committee, which is, among other things, responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company and other senior management and executive officers of the Company, for evaluating the Chief Executive Officer's performance in light of the corporate goals and objectives set for him/her, for reviewing the adequacy and form of the compensation and benefits of the directors in their capacity as directors of the Company to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director. The Audit Committee will make recommendations to the Board regarding the compensation for the Company's officers, based on industry standards and the Company's financial situation.

Other Board Committees

The Board has no committees other than the Audit Committee as described above at *"Compensation"* and below under the heading "*Audit Committee Disclosure".*

Assessments

The Board has not established a formal process to regularly assess the Board and the Audit Committee with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, the Audit Committee or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

AUDIT COMMITTEE DISCLOSURE

Pursuant to section 224(1) of the *Business Corporations Act* (British Columbia), the policies of the CSE and National Instrument 52-110 Audit Committees ("**NI 52-110**"), the Company is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. At present, the Audit Committee does not have a majority of independent directors as its members. NI 52-110 requires the Company, as a venture issuer, to make certain disclosure concerning the constitution of its Audit Committee and its relationship with its independent auditor.

The Audit Committee oversees the accounting and financial reporting practices and procedures of the Company and the audits of the Company's financial statements. The principal responsibilities of the Audit Committee include: (i) overseeing the quality, integrity and appropriateness of the internal controls and accounting

procedures of the Company, including reviewing the Company's procedures for internal control with the Company's auditors and chief financial officer; (ii) reviewing and assessing the quality and integrity of the Company's internal and external reporting processes, its annual and quarterly financial statements and related management discussion and analysis, and all other material continuous disclosure documents; (iii) establishing separate reviews with management and external auditors of significant changes in procedures or financial and accounting practices, difficulties encountered during auditing, and significant judgments made in management's preparation of financial statements; (iv) monitoring compliance with legal and regulatory requirements related to financial reporting; (v) reviewing and pre-approving the engagement of the auditor of the Company and independent audit fees; and (vi) assessing the Company's accounting policies, and considering, approving, and monitoring significant changes in accounting principles and practices recommended by management and the auditor.

The Audit Committee also forms the Company's compensation committee as discussed above. References in this section to the "Audit Committee" constitute references to the Company's audit and compensation committee.

Audit Committee Charter

The full text of the charter of the Company's Audit Committee is set in Schedule "B" attached hereto.

Composition of the Audit Committee

The members of the Audit Committee are James Robert Blink, Travis Heilman and Joshua Baker, of which Mr. Baker is considered to be independent pursuant to NI 52-110. All members of the Audit Committee are considered to be financially literate.

A member of the audit committee is *independent* if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

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

Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting, are as follows:

Joshua Baker:

Mr. Baker is President, CEO and CFO of Red River Construction LLC and President, CEO and CFO of Baker Construction Consulting. Mr. Baker is the President of Natural Supplements Inc. In addition, Mr. Baker is a 6th generation farmer local to the Central Valley, with over 4 decades of experience operating commercial and residential farms with a focus on walnuts and almonds.

James Robert Blink:

Mr. Blink has been in the medicinal and commercial cannabis markets in California since 1997. He founded and grew Lyfted Farms into one of the premier cannabis producers, distributors and manufacturers in the Central Valley.

Travis Heilman:

Mr. Heilman has held various management roles with TransCanna Holdings Inc. and has extensive knowledge of the various business units within the Company. Mr. Heilman has served as Director of Supply Chain Management and led the success of Lyfted Farms' distribution and sales performance.

While Mr. Baker, Mr. Blink and Mr. Heilman have not served on an audit committee of a public company previously, they have experience dealing with and reviewing financial statements and accounting issues for private enterprises and will be assisted by consultants and the Company's auditor.

Audit Committee Oversight

At no time since incorporation has the Audit Committee made any recommendations to the Board to nominate or compensate any external auditor that was not adopted by the Board.

Reliance of Certain Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally

At no time during the year ended November 30, 2021 has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) (which exempts all non-audit services provided by the Company's auditor from the requirement to be preapproved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies on Certain Exemptions

Except as described in the audit committee charter, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Services Fees

The Audit Committee has pre-approved the nature and amount of the services provided by BF Borgers, Certified Public Accountants, to the Company to ensure auditor independence.

Aggregate fees paid to the auditor during the financial years ended November 30, 2021 and 2020 were as follows:

Financial Year Ended	Audit Fees	Audit Related Fees[(1)]	Tax Fees[(2)]	All Other Fees[(3)]
2021	$150,000	$nil	$ 6,300	$nil

Financial Year Ended	Audit Fees	Audit Related Fees[1]	Tax Fees[2]	All Other Fees[3]
2020	$100,000	$nil	$ 2,940	$nil

Notes:

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged (or estimated charges) for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar regulatory authorities in British Columbia, Alberta and Ontario are specifically incorporated by reference into, and form an integral part of this Information Circular:

- The Loan Agreement;
- The Deed in Lieu; and
- Call Option Agreement.

Copies of the documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at 2489 Bellevue Avenue, West Vancouver, BC V7V 1E1. These documents are also available through the internet on SEDAR, which can be accessed at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com under "Corporation Profiles – TransCanna Holdings Inc." A copy of each of the Loan Agreement and Deed in Lieu is available for review under the Corporation's profile on SEDAR at www.sedar.com.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

APPROVAL OF INFORMATION CIRCULAR

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, March 29, 2023.

BY ORDER OF THE BOARD

/s/"Bob Blink"

Bob Blink
Chief Executive Officer

CONSENT OF EVANS & EVANS, INC.

We hereby consent to the references to our firm's Fairness Opinion dated February 6, 2023 (the "**Fairness Opinion**") under "*Fairness Opinion*" in the management information circular of TransCanna Holdings Inc. dated March 29, 2023 (the "**Circular**"), the inclusion of: (a) a summary of the Fairness Opinion; (b) the references to our firm name; and (c) the full text of the Fairness Opinion, in the Circular.

/s/ *Evans & Evans*

Evans & Evans, Inc.
Vancouver, British Columbia, March 29, 2023

Appendix A-1
Transaction Resolution and Call Option Resolution

TRANSACTION RESOLUTION

"**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. Pursuant to the Deed in Lieu of Foreclosure Agreement, dated February 13, 2023 (the "**Deed in Lieu**"), by and among Pelorus Fund REIT, LLC (the "**Lender**"), Dalvi, LLC, ("**Dalvi**"), Lyfted Farms, Inc. ("**Lyfted Farms**"), the Company and James R. Blink, the conveyance to the Lender of good and indefeasible fee simple title to the Loan Collateral that constitutes real property (the "**Real Property Collateral**") to a designee of the Lender (the "**Designee**") by Dalvi, a wholly-owned subsidiary of the Company, and the transfer and assignment to the Designee, as agreed by Lyfted Farms and the Company, all Loan Collateral that constitutes personal property (the "**Personal Property Collateral**") (the transfer of the Real Property Collateral and Personal Property Collateral, collectively, the "**Transfer**), which constitutes the Transfer of all or substantially all of the undertaking of the Company, requiring the approval by special resolution of the shareholders of the Company pursuant to section 301 of the *Business Corporations Act* (British Columbia), to be implemented by management of the Company and approved by the board of directors of the Company (the "**Board**"), be and is hereby approved and authorized;

2. the entering into of the Deed in Lieu by the Company and the performance by the Company of its obligations thereunder, be and the same is hereby approved, ratified and confirmed;

3. unless otherwise defined all capitalized terms used in these resolutions shall have the meanings ascribed thereto in the Deed in Lieu;

4. notwithstanding that this resolution has been duly passed by the shareholders, the Board is hereby authorized and empowered, without further notice to, or ratification or approval of, the shareholders of the Company, in its sole discretion, approve or amend any terms of any agreement pertaining to the Transfer, or not to proceed with the Transfer; and

5. any one or more directors and officers of the Company is hereby authorized and directed to perform all such acts, deeds and things and to execute, under corporate seal of the Company or otherwise, all such documents and other writings, including as may be required to give effect to the true intent of this resolution."

CALL OPTION RESOLUTION

"**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. Pursuant to the Deed in Lieu of Foreclosure Agreement, dated February 13, 2023, by and among Pelorus Fund REIT, LLC (the "**Lender**"), Dalvi, LLC,) Lyfted Farms, Inc., the Company and James R. Blink, the entering into of the call option agreement (the "**Call Option Agreement**") dated March 29, 2023, by the Company with PMG Lyfted Farms, LLC (a designee of the Lender) is hereby approved, ratified and confirmed;

2. the performance by the Company of its obligations under the Call Option Agreement is hereby approved;

3. the issuance of the common shares of the Company, pursuant to the terms of the Call Option Agreement, is hereby approved;

4. notwithstanding that this resolution has been duly passed by the shareholders, the Board is hereby authorized and empowered, without further notice to, or ratification or approval of, the shareholders of the Company, in its sole discretion, approve or amend any terms of any agreement pertaining to the Call

Option Agreement, or not to proceed with the transactions contemplated by the Call Option Agreement; and

5. any one or more directors and officers of the Company is hereby authorized and directed to perform all such acts, deeds and things and to execute, under corporate seal of the Company or otherwise, all such documents and other writings, including as may be required to give effect to the true intent of this resolution."

Appendix A-2
Form of Support Agreement

(see attached)

VOTING SUPPORT AGREEMENT

THIS AGREEMENT made the _____ day of February, 2023.

BETWEEN:

■,
a ■,

(hereinafter referred to as the "**Shareholder**"),

- and -

PELORUS FUND REIT, LLC,
a California limited liability company,

(hereinafter referred to as the "**Lender**"),

WHEREAS the Shareholder is the legal and beneficial owner, directly or indirectly, of common shares (the "**Common Shares**") in the capital of TransCanna Holdings Inc. (the "**Corporation**"), as more particularly described on Schedule A hereto;

AND WHEREAS the Lender is concurrently herewith entering into a deed in lieu of foreclosure agreement (as the same may be amended or amended and restated from time to time) (the "**DiL Agreement**") with the Corporation, Dalvi, LLC, Lyfted Farms, Inc. and James R. Blink providing for the transfer of the Loan Collateral (as defined in the DiL Agreement) to the Lender, pursuant to the terms therein;

AND WHEREAS as set out in the DiL Agreement, as a condition to closing the transactions contemplated by the DiL Agreement, the Corporation is to enter into a Call Option Agreement (as defined in the DiL Agreement) in form and substance acceptable to the Lender;

AND WHEREAS this Agreement sets out the terms and conditions of the agreement of the Shareholder to (i) vote or cause to be voted all Common Shares (the "**Subject Shares**") beneficially owned, or over which control or direction is exercised, by the Shareholder at any time from the date hereof to and including, if applicable, the record date for any meeting or meetings of the shareholders of the Corporation (collectively, the "**Meeting**") called to approve the transactions contemplated by the DiL Agreement and the Call Option Agreement (collectively, the "**Transactions**") in favour of the Transactions and any other matter that could reasonably be expected to facilitate the Transactions, and (ii) abide by the restrictions and covenants set forth herein;

AND WHEREAS the Lender is relying on the covenants, representations and warranties of the Shareholder set forth in this Agreement in connection with its execution and delivery of the DiL Agreement and the Call Option Agreement;

NOW THEREFORE this Agreement witnesses that, in consideration of the premises and the covenants and agreement herein contained, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 All capitalized terms used but not otherwise defined herein shall have the respective meaning ascribed to them in the DiL Agreement.

1.2 Except as may be otherwise specifically provided in this Agreement and unless the context otherwise requires, in this Agreement:

(a) the terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;

(b) references to an “Article” or “Section” followed by a number refer to the specified Article or Section of this Agreement;

(c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;

(d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;

(e) the word “including” is deemed to mean “including without limitation”;

(f) the terms “party” and “the parties” refer to a party or the parties to this Agreement; and

(g) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time

1.3 Any time period within which any action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends. Whenever any action is required to be taken or period of time is to expire on a day other than a Business Day, such action shall be taken or period shall expire on the next following Business Day.

1.4 Schedule A attached hereto, for all purposes hereof, forms an integral part of this Agreement.

ARTICLE 2
CERTAIN COVENANTS OF THE SHAREHOLDER

2.1 The Shareholder hereby covenants and irrevocably agrees that it shall, from the date hereof until the termination of this Agreement pursuant to Article 6, except in accordance with the terms of this Agreement:

(a) not, directly or indirectly, through any of its officers, directors, employees or agents solicit, assist, initiate, knowingly encourage or facilitate (including by way of discussion, negotiation, furnishing information, permitting any visit to any

facilities or properties of the Corporation or any of its affiliates (the "**Subject Companies**") or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers regarding, or that may reasonably be expected to lead to, any transaction (an "**Alternative Transaction**") that may prevent, hinder, delay or otherwise impede the Transactions;

(b) not engage in, continue or otherwise participate in any discussions or negotiations regarding, or provide any information with respect to or otherwise cooperate in any way with any person (other than the Lender and its representatives) that may reasonably be expected to lead to any Alternative Transaction or potential Alternative Transaction;

(c) not withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to the Lender, its support of the DiL Agreement, the Call Option Agreement or the Transactions;

(d) not approve or recommend, or remain neutral with respect to, or propose publicly to approve or recommend, any Alternative Transaction;

(e) not accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Alternative Transaction;

(f) immediately cease and cause to be terminated any existing solicitation, discussion, negotiation, encouragement or activity with any person (other than the Lender or any of its representatives) by the Shareholder or any of its representatives with respect to any Alternative Transaction;

(g) promptly (and in any event within 48 hours) notify the Lender, at first orally and then in writing, of any proposal, inquiry, offer or request received by the Shareholder after the date hereof: (i) relating to an Alternative Transaction or inquiry that could reasonably lead or be expected to lead to an Alternative Transaction; (ii) for discussions or negotiations in respect of an Alternative Transaction; or (iii) for non-public information relating to any Subject Company or the Shareholder, access to properties, books, records or a list of shareholders, securityholders or a list of shareholders of any Subject Company; or (iv) for representation on the board of directors of the Corporation. Such notice shall include the identity of the person making such proposal, inquiry, offer or request, a description of the material terms and conditions of such proposal, inquiry, offer or request (including copies of any term sheet, written summary or letter of intent or similar document, including drafts thereof) relating to such Alternative Transaction and such other details of the proposal, inquiry, offer or request that the Lender may reasonably request. The Shareholder shall keep the Lender promptly and fully informed of the status, including any change to the material terms, of such proposal, inquiry, offer or request and shall respond promptly to all inquiries by the Lender with respect thereto;

(h) not option, offer, sell, gift, assign, transfer, exchange, dispose of, pledge, encumber, grant a security interest in, hypothecate or otherwise convey or enter

into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Subject Shares, or any right or interest therein (legal or equitable), to any person or group or agree to do any of the foregoing other than (A) any exercise of warrants or options exercisable for Common Shares in accordance with their terms, or (B) transfer to one or more corporations, family trusts, RRSP / 401k account or any other entity directly or indirectly wholly owned or controlled by, or under common control with the Shareholder, provided that (i) such transfer will not relieve the Shareholder of or from its obligations under this Agreement to vote or cause to be voted all such Common Shares at the Meeting, (ii) prompt written notice of such transfer is provided to the Lender; and (iii) the transferee continues to be an entity or corporation directly or indirectly wholly owned or controlled by the Shareholder at all times until the termination of this Agreement;

(i) not grant or agree to grant any proxy, power of attorney or other right to vote the Subject Shares, or enter into any voting agreement, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of shareholders of the Corporation or give consents or approval of any kind with respect to any of the Subject Shares or give consents or approval of any kind with respect to any of the Subject Shares or relinquish or modify the Shareholder's right to exercise control or direction over or to vote any Subject Shares or agree to do any of the foregoing;

(j) exercise the voting rights attaching to the Subject Shares to oppose any proposed action by the Corporation, its shareholders, and of any Subject Company or any other person which action could reasonably be expected to prevent or delay the successful completion of the Transactions;

(k) promptly notify the Lender of any new Common Shares acquired by the Shareholder after the execution of this Agreement, and the Shareholder acknowledges that any such new Common Shares will be subject to the terms of this Agreement as though owned by the Shareholder on the date of this Agreement;

(l) not requisition or join in any requisition of any meeting of shareholders of the Corporation without the prior written consent of the Lender;

(m) not take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the Transactions and the other transactions contemplated by the DiL Agreement, Call Option Agreement and this Agreement;

(n) not vote or cause to be voted any of the Subject Shares in respect of any proposed action by the Corporation or its shareholders or affiliates or any other person or group in a manner which might reasonably be regarded as likely to prevent or delay the successful completion of the Transactions or the other transactions contemplated by the DiL Agreement, Call Option Agreement and this Agreement; and

(o) not do indirectly that which it may not do directly by the terms of this Article 2.

ARTICLE 3
AGREEMENT TO VOTE

3.1 The Shareholder hereby irrevocably and unconditionally covenants and agrees that from the date hereof until the earlier of (i) the closing of the Transactions as contemplated by the DiL Agreement and the Call Option Agreement, as applicable; and (ii) the termination of this Agreement:

(a) to vote or to cause to be voted the Subject Shares (i) at the Meeting (or any adjournment or postponement thereof); or (ii) by way of signed written consent, in favour of the Transactions and/or any other matter that could reasonably be expected to facilitate the Transactions;

(b) to vote or cause to be voted the Subject Shares against any Alternative Transaction or other matter that could reasonably be expected to delay, prevent or frustrate the successful completion of the Transaction at any meeting of the shareholders of the Corporation called for the purpose of considering same;

(c) no later than 10 Business Days prior to the date of the Meeting, to deliver or cause to be delivered to the Corporation, with a copy to the Lender concurrently, a duly executed proxy or proxies directing the holder of such proxy or proxies to vote in favour of the Transactions and/or any matter that could reasonably be expected to facilitate the Transactions; and

(d) to name in such proxy or proxies those individuals as may be designated by the Corporation in the Guarantor Circular and not revoke such proxy or proxies without the written consent of the Lender.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDER

4.1 The Shareholder represents, warrants and, where applicable, covenants to the Lender as follows and acknowledges that the Lender is relying upon these representations, warranties and covenants in connection with the entering into of this Agreement, the DiL Agreement and the Call Option Agreement:

(a) the Shareholder is the sole legal and beneficial owner of the number of Subject Shares listed opposite the Shareholder's name on Schedule A to this Agreement;

(b) the Shareholder has the sole right to vote all the Subject Shares;

(c) no individual or entity has any agreement or option, or any right or privilege (whether by applicable law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Shares or any interest therein or right thereto, including without limitation any right to vote, except the Lender pursuant to this Agreement;

(d) none of the execution and delivery by the Shareholder of this Agreement or the completion or performance of the transactions contemplated hereby or the compliance by the Shareholder with the Shareholder's obligations hereunder will

result in a breach of or constitute a default (with or without notice of lapse of time or both) under any provision of (i) the constating documents of the Shareholder (insofar as the Shareholder is not a natural Person); (ii) any agreement or instrument to which the Shareholder is a party or by which the Shareholder or any of the Shareholder's property or assets is bound; (iii) any judgment, decree, order or award of any Governmental Authority; or (iv) any applicable law, statute, ordinance, regulation or rule relevant in the context of the Transactions or this Agreement;

(e) (i) the only Common Shares owned, directly or indirectly, or over which control or direction is exercised, by the Shareholder are those listed on Schedule A to this Agreement opposite the Shareholder's name and (ii) other than as listed on Schedule A to this Agreement, the Shareholder has no agreement or option, or right or privilege (whether by applicable Law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase or acquisition by the Shareholder or transfer to the Shareholder of additional Common Shares; and

(f) there is no claim, action, lawsuit, arbitration, mediation or other legal proceedings in progress or pending or, to the knowledge of the Shareholder, threatened against the Shareholder or any of its Affiliates that would adversely affect in any manner (i) the ability of the Shareholder to enter into this Agreement and to perform its obligations hereunder; or (ii) the title of the Shareholder to any of the Subject Shares.

The representations and warranties of the Shareholder set forth in this Article 4 shall survive the completion of the Transactions and, despite such completion, shall continue in full force and effect for the benefit of the Lender for a period of one (1) year from the date of this Agreement.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE LENDER

5.1 The Lender represents, warrants and, where applicable, covenants to the Shareholder as follows and acknowledges that the Shareholder is relying upon these representations, warranties and covenants in connection with the entering into of this Agreement:

(a) the Lender is validly existing under the laws of Delaware and has all necessary corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and

(b) the execution and delivery of this Agreement by the Lender and the performance by it of its obligations hereunder have been duly authorized and no other corporate proceedings on its part are necessary to authorize this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered by the Lender and, assuming the due authorization, execution and delivery by the Shareholder, constitutes a legal, valid and binding obligation, enforceable by the Shareholder against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other applicable laws affecting the rights of creditors generally and except that

equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction.

The representations and warranties of the Lender set forth in this Article 5 shall survive the completion of the Transactions and, despite such completion, shall continue in full force and effect for the benefit of the Shareholder for a period of one (1) year from the date of this Agreement.

ARTICLE 6
TERMINATION

6.1 This Agreement will be terminated:

(a) at any time by written agreement of the Lender and the Shareholder;

(b) upon termination of each of the DiL Agreement and the Call Option Agreement pursuant to the terms therein; and

(c) on the closing of the Transactions,

provided, however, that any such termination shall not prejudice the rights of a party as a result of any breach by any other party of its obligations hereunder.

ARTICLE 7
DISCLOSURE

7.1 The Shareholder irrevocably and unconditionally (a) consents to the details of this Agreement being set out in any Guarantor Circular and this Agreement being made publicly available, including by filing on SEDAR, as may be required pursuant to applicable securities Laws; and (b) consents to and authorizes the publication and disclosure by the Lender and the Corporation of its identity and holding of Subject Shares, the nature of its commitments and obligations under this Agreement and any other information, in each case that the Lender or the Corporation, as the case may be, reasonably determine is required to be disclosed by applicable Law in any press release, the Guarantor Circular or any other disclosure document in connection with the Transactions and any transactions contemplated by the DiL Agreement. Except as contemplated by the immediately preceding sentence and as otherwise required by applicable law or by any Governmental Authority or in accordance with the requirements of any stock exchange, no party shall make any public announcement or statement with respect to this Agreement without the approval of the other, which shall not be unreasonably withheld, conditioned or delayed. A copy of this Agreement may be provided to the directors of the Corporation.

ARTICLE 8
GENERAL

8.1 The Lender acknowledges that the Shareholder is bound hereunder solely in its capacity as a security holder of the Corporation and, if the Shareholder is a director or officer of the Corporation, that the provisions hereof shall not be deemed or interpreted to bind the Shareholder in his or her capacity as a director or officer of the Corporation. Nothing in this Agreement shall: (a) limit or affect any actions or omissions taken by the Shareholder in his or

her capacity as a director or officer of the Corporation, including in exercising rights under the DiL Agreement and Call Option Agreement and no such actions or omissions shall be deemed a breach of this Agreement; or (b) be construed to prohibit, limit or restrict the Shareholder from fulfilling his or her fiduciary duties as a director or officer of the Corporation.

8.2 This Agreement shall become effective upon execution and delivery hereof by the Shareholder.

8.3 Each of the parties hereto shall, from time to time hereafter and upon any reasonable request of the other, promptly do, execute, deliver or cause to be done, executed and delivered, all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement.

8.4 This Agreement shall not be assignable by any party without the prior written consent of the other parties, provided that the Lender may assign this Agreement without consent to any of its affiliates. This Agreement shall be binding upon and shall enure to the benefit of and be enforceable by each of the parties hereto and their respective successors and permitted assigns.

8.5 Time shall be of the essence of this Agreement.

8.6 Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person or sent by email or similar means of recorded electronic communication, addressed as follows:

(a) in the case of the Shareholder:

■

Attention: ■
Email ■

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

■

Attention: ■
Email: ■

if to the Lender:

Pelorus Fund REIT, LLC
124 Tustin Avenue, Suite 200
Newport Beach, CA 92663

Attention: Lee Scholtz
Email: lee@pelorusequitygroup.com

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

Dentons Canada LLP
77 King Street West, Suite 400
Toronto, Ontario, Canada M5K 0A1

Attention: Eric Foster & Ben Iscoe
Email: eric.foster@dentons.com & benjamin.iscoe@dentons.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day). Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 8.6.

8.7 This Agreement shall be governed by and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction).

8.8 ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF CALIFORNIA IN EACH CASE LOCATED IN THE CITY OF STOCKTON AND COUNTY OF SAN JOAQUIN, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

8.9 EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.9.

8.10 Each of the parties hereto agrees with the others that: (i) money damages would not be a sufficient remedy for any breach of this Agreement by any of the parties; (ii) in addition

to any other remedies at law or in equity that a party may have, such party shall be entitled to equitable relief, including injunction and specific performance, in addition to any other remedies available to the party, in the event of any breach of the provisions of this Agreement; and (iii) any party that is a defendant or respondent shall waive any requirement for the securing or posting of any bond in connection with such remedy. Each of the parties hereby consents to any preliminary applications for such relief to any court of competent jurisdiction. The prevailing party shall be reimbursed for all costs and expenses, including reasonable legal fees, incurred in enforcing the other party's obligations hereunder. Such remedies shall not be deemed to be exclusive remedies for the breach of this Agreement but shall be in addition to all other remedies at law or in equity.

8.11 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not irremediably affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled according to their original tenor to the extent possible.

8.12 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements, understandings, undertakings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein.

8.13 No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

8.14 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce more than one counterpart. A signed copy of this Agreement delivered by email or other means of electronic transmission (including in PDF form) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement to the receiving party.

[*Remainder of the page intentionally left blank*]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

■

by _____
Name:
Title:

PELORUS FUND REIT, LLC

by _____
Name:
Title:

SCHEDULE A
OWNERSHIP OF SHARES OF TRANSCANNA HOLDINGS INC.

Name	Class of security beneficially owned	Number of securities beneficially owned	Registered holder if different from beneficial owner	Total number of Common Shares owned or controlled

Appendix A-3
Fairness Opinion

(see attached)

EVANS & EVANS, INC.

SUITE 130, 3RD FLOOR, BENTALL II, 555 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA
CANADA V7X 1M8

19TH FLOOR, 700 2ND STREET SW
CALGARY, ALBERTA
CANADA T2P 2W2

6TH FLOOR, 176 YONGE STREET
TORONTO, ONTARIO
CANADA M5C 2L7

February 6, 2023

TRANSCANNA HOLDINGS INC.
2489 Bellevue Avenue
West Vancouver, B.C. V7V 1E1

Attention: Board of Directors

Dear Sirs / Mesdames:

Subject: Fairness Opinion

1.0 Introduction

1.01 Evans & Evans, Inc. ("Evans & Evans" or the "authors of the Opinion") was engaged by the Board of Directors (the "Board") of TransCanna Holdings Inc. ("TransCanna" or the "Issuer") to prepare a Fairness Opinion (the "Opinion") with respect to a proposed transaction (the "Proposed Transaction") which involves the transfer of substantially all of the Loan Collateral (as further defined below) which consists of various tangible and intangible assets of the Issuer's wholly owned subsidiaries Lyfted Farms, Inc. ("Lyfted Farms"), and Dalvi, LLC ("Dalvi") (together referred to throughout the Opinion as the "Subsidiaries"). The Proposed Transaction is summarized in more detail in section 1.05 of this Opinion.

Evans & Evans has been requested by the Board to prepare the Opinion to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial standpoint, to TransCanna and the TransCanna shareholders (the "Non-Participating Shareholders") other than Pelorus Equity Group Inc. ("PEG") and Pelorus Fund REIT, LLC ("Pelorus REIT" and together with PEG "Pelorus"). In providing the Opinion, Evans & Evans will specifically address the fairness of the Proposed Transaction to the creditors of the Issuer and its Subsidiaries other than Pelorus (the Unsecured Creditors as further defined below). The effective date of the Opinion is February 6, 2023.

TransCanna's principal business activity is the creation of consumer brands, from inception to sales, which includes, but is not limited, to the manufacturing transportation and distribution services in the state of California including cannabis related products. The Issuer's shares are listed for trading on the Canadian Securities Exchange ("CSE" or the "Exchange") under the symbol "TCAN".

1.02 Unless otherwise noted, all monetary amounts referenced herein are Canadian dollars.

1.03 TransCanna was incorporated on October 26, 2017, under the *Business Corporations Act* (British Columbia). On January 9, 2019, the Issuer completed an initial public offering ("IPO") transaction and private placement. The Issuer, via its wholly owned subsidiary Lyfted Farms, is licensed to cultivate, distribute, and sell wholesale cannabis products in

the state of California. Lyfted Farms operates in California pursuant to the *California Medicinal and Adult-Use Cannabis Regulation and Safety Act*.

Beginning in the fourth quarter of 2021, the Issuer shifted operations away from being a one-stop-shop service provider to third parties to dedicate its efforts to its highest margin business segment – cultivation and sale of exotic indoor flower. Predominantly through the Issuer's wholly owned subsidiary, Lyfted Farms, the Issuer produced and sold its own products under the Lyfted Farms brand. Products sold included premium exotic indoor-grown flower, pre-rolled cannabis joints, and concentrates. As of quarter 4, 2021, the Issuer shifted away from retail sales to focus on bulk flower wholesale.

Throughout the 2021 fiscal year the Issuer also provided white-labeling, packaging and wholesale and distribution services to third party customers and partners throughout the State. Through "co-branding" collaboration deals, the Issuer partners with brands and personalities to produce specific strains or products, leveraging both the prominence and consumer following of the partner-brand and the reputation for quality of Lyfted Farms proprietary premium cannabis strains.

Following the recent capital improvements and the current build-out of the new facility, the Issuer plans on expanding its cultivation output.

In 2020, the Issuer maximized cultivation capacity at an existing facility (the "Jerusalem Facility") while investing significant time, capital, and energy to lay the groundwork for new cultivation space in a new facility (the "Daly Facility"). When the construction of Phases 1 and 2 (of Four Phases) at the Daly Facility is complete, in combination with the Jerusalem Facility the Issuer is expected to have a total of approximately 49,245 square feet ("sq ft") of dedicated cultivation space. Over the course of 2021 the Issuer reported in public disclosure documents that it increased cultivation capacity to 19,361 sq ft of dedicated cultivation space. The reader is advised that as of the date of the Opinion, in excess of $3.5 million of construction expenditures are required to complete the Daly Facility in order to reach maximum production.

The Jerusalem Facility is located at 5271 and 5255 Jerusalem Court, Modesto, California. In 2020, the vast majority of the Issuer's business and revenue-generating activities were focused at this 12,000 square foot facility. Indoor cultivation and distribution services at Jerusalem Court generated $6,957,336 in revenue for the Issuer in 2020. The buildings, comprising 12,000 square feet in total, are leased directly from a Lyfted Farms shareholder – Mr. William Maurer. The buildings are leased by the Issuer under a five-year lease term expiring November 3, 2024 with the option to renew for an additional five-year term.

The Daly Facility is a 196,000 square foot facility on 5.5 acres of land located on Daly Avenue in Modesto, California. TransCanna purchased the property in April 2019 for US$14.75 million in cash with a vendor take-back mortgage of US$6.75 million. In 2020, the Issuer conducted and expanded cultivation and nursery activities to maximum capacity at the Jerusalem Facility, while concurrently planning and executing the initial stages of the build-out of the Daly Facility, which will serve as the center of the TransCanna

operations. In 2021, the Issuer was able to build out an initial 13,111 of cultivation space at the Daly Facility.

Pelorus Loan Agreement

On July 29, 2022, the Issuer, Dalvi and Lyfted Farms entered into a loan agreement (the "Pelorus Loan Agreement") with Pelorus REIT. Pelorus REIT provided Dalvi and Lyfted Farms with a real estate secured term loan in the amount of $15,808,000 to refinance existing debt of the Issuer and pay certain costs associated with the completion of the Daly Facility (the "Pelorus Loan"). The Pelorus Loan matures on July 29, 2026 and bears interest at 14% per annum.

The Loan Collateral consists of all of the tangible and intangible assets of the Issuer, Dalvi and Lyfted Farms. TransCanna is the guarantor of the Pelorus Loan and as such in the event of default or non-payment by Dalvi and Lyfted Farms is required to repay the Pelorus Loan.

The Pelorus Loan Agreement clearly sets out how the proceeds from the Pelorus Loan would be utilized by the Issuer, Dalvi and Lyfted Farms, including the repayment of certain existing indebtedness.

The Pelorus Loan Agreement also sets out several terms and conditions providing Pelorus with oversight of any payments to be made by the Issuer and its Subsidiaries using loan proceeds. Further, Pelorus was granted the right to approve annual budgets of TransCanna and the Subsidiaries. In addition, Pelorus was granted the right to oversee the construction of the Daly Facility.

Financial Results & Financial Position

The fiscal year ("FY") end of TransCanna, Lyfted Farms and Dalvi is November 30. Lyfted Farms is the primary operating entity of the Issuer and responsible for all revenue generation. As can be seen from the following table, revenues have declined over the past three FYs due to the changing business model and the competitive nature of the California cannabis market. Between December 1, 2018 and August 31, 2022, the cumulative comprehensive loss of the Issuer exceeds $65 million.

	Unaudited	For the fiscal years ending November 30,		
	Nine months ended	Audited	Audited	Audited
Canadian Dollars	August 31, 2022	2021	2020	2019
Revenues	**$2,190,339**	**$3,999,001**	**$6,957,336**	**$240,460**
Gross Profit (After Fair Value Adjustments)	$208,335	-$850,231	$194,200	$139,591
Gross Profit - %	*9.5%*	*-21.3%*	*2.8%*	*nmf*
EBITDA	**-$4,371,985**	**-$10,659,850**	**-$15,835,489**	**-$25,736,074**

TransCanna's consolidated financial position as of November 30, 2018 to August 31, 2022 is summarized below. Of the cash balance as of August 31, 2022, $7,730,251 (97% of the

cash balance) was restricted and solely to be used to finance capital expenditures and tax liabilities.

Canadian Dollars	Unaudited August 31, 2022	For the fiscal years ending November 30, Audited 2020	Audited 2019	Audited 2018
Cash and Cash Equivalents	**$7,958,176**	**$241,301**	**$1,243,733**	**$3,119,533**
Current Assets (Including Cash)	$9,097,208	$1,254,588	$2,507,033	$4,512,440
Current Liabilities (Including Debt)	$8,020,903	$19,435,577	$4,316,151	$7,105,270
Working Capital	**$1,076,305**	**-$18,180,989**	**-$1,809,118**	**-$2,592,830**
Total Debt (Including Leases)	$27,388,778	$19,293,345	$13,873,389	$13,619,751

As of the date of the Opinion, the Issuer has approximately $17.66 million in secured debt and amounts outstanding to the Unsecured Creditors[1] and Regulatory Creditors[2] was approximately $9.4 million. Further, the Issuer has nominal cash on hand. Pelorus has agreed, at its option, to make protective advances to fund certain agreed to, ongoing expenses of TransCanna and the Subsidiaries through to the close of the Proposed Transaction. Evans & Evans has been advised by management, without the financial support of Pelorus the Issuer would not have funds on hand to maintain operations.

Table 1 **Nature of Obligation**	***Canadian Dollars***
Secured Debt (Pelorus Loan)	**$17,654,612**
Unsecured Creditors	
Promissory Notes	$5,512,245
Convertible Debentures	$120,000
Other Debentures	$800,000
Legal & Advisory Fees	$1,213,960
	$7,646,205
Regulatory Creditors	
Taxes (State, Provincial, Federal)	$1,759,194
Total Debt - Secured & Unsecured & Regulatory	**$27,060,012**

Capital Structure

As of the date of the Opinion, the Issuer had 124,477,162 common shares issued and outstanding. TransCanna also has 160,028,211 warrants and 5,974,000 options issued and

[1] Holder of promissory notes, convertible debentures, debentures and other trade payables as outlined in Table 1 below.
[2] Consisting of amounts due to state and federal tax authorities related to income tax, excise taxes and employer withholding taxes as outlined in Table 1 below.

outstanding to acquire common shares outstanding at various exercise prices. All options and warrants are out-of- the money as of the date of the Opinion.

1.05 As of the date of the Opinion, Evans & Evans had been provided with a draft Deed in Lieu of Foreclosure Agreement (the "Agreement") and draft Call Option (the "Option"). The points below are a summary of the key terms of the Proposed Transaction and the Issuer's current financial situation and the reader is advised to review the Agreement and Option in detail.

Current Situation of the Issuer

Management of the Issuer has stipulated to the following overview of TransCanna's financial situation as of the date of the Opinion.

1. TransCanna and the Subsidiaries are in default of the terms of the Pelorus Loan Agreement.

2. The Issuer and the Subsidiaries have insufficient cash to continue the operations and have determined that the projected cash flows of Lyfted Farms are insufficient to (A) support the operating needs of the Issuer and the Subsidiaries, (B) support the costs of owning and operating Lyfted Farms and TransCanna, and (C) support the debt service owed to Pelorus pursuant to the Pelorus Loan Agreement.

3. As of the date of the Opinion, the Issuer has no ability to recapitalize the business of Issuer and the Subsidiaries or to otherwise repay the amounts owed to Pelorus under the Pelorus Loan Agreement.

Given the above, the Board has determined it is in the best interests of the Issuer to enter into the Agreement to voluntarily transfer the Loan Collateral to Pelorus REIT or a designee thereof, subject to the existing secured liens of Pelorus.

The Issuer has no present intention to file a voluntary petition for relief under Chapter 7 of the United States Bankruptcy Code (a "Voluntary Bankruptcy Filing") on behalf of the Subsidiaries.

Summary Terms of the Agreement

1. Pursuant to a notice letter, dated January 27, 2023, from Pelorus REIT to TransCanna, and the Subsidiaries, to the extent Pelorus elects to make any new money advances to or for the benefit of the Subsidiaries or the Issuer, such amounts shall automatically be deemed to be (i) added to the outstanding principal amount of the Pelorus Loan under the Pelorus Loan Agreement, (ii) to be obligations incurred under the Pelorus Loan Agreement and guaranteed by the Issuer and others in accordance with the terms of the Pelorus Loan Agreement, and (iii) to be secured by all of the Loan Collateral in accordance with the terms of the Pelorus Loan Agreement.

2. Any new money advances made by Pelorus on or prior to the date of the Agreement to or for the benefit of Issuer and the Subsidiaries shall be automatically, be deemed to be (i) added to the outstanding principal amount of the Pelorus Loan under the Pelorus Loan Agreement, (ii) to be obligations incurred under the Pelorus Loan Agreement and guaranteed by the Issuer in accordance with the terms of the Pelorus Loan Agreement, and (iii) to be secured by all of the Loan Collateral in accordance with the terms of the Pelorus Loan Agreement.

3. As of January 31, 2023, the total amount of outstanding principal and accrued but unpaid interest due and owing to Pelorus under the Pelorus Loan Agreement (including, without limitation, protective advances made to through such date) is $17,654,612.32 as outlined in Table 1 above.

4. The Issuer and the Subsidiaries shall transfer the Loan Collateral to one or more entities designated in writing by Pelorus (individually and collectively, the "Designee"), subject to the existing liens of Pelorus on the Loan Collateral.

5. No equity interests in TransCanna or the Subsidiaries will be transferred under the terms of the draft Agreement.

6. The Issuer will execute and deliver to Pelorus the Option (as detailed below).

7. As a condition to closing of the Proposed Transaction, the Issuer and the Subsidiaries will secure executed releases, in form and substance acceptable to Pelorus, of all indebtedness from each holder of the Unsecured Creditors (the "Indebtedness Releases").

8. Within five (5) business days prior to the proposed closing date, the Issuer and the Subsidiaries shall provide a true and correct listing of outstanding payables with respect thereto (the "Outstanding Payables"), and an analysis from the Issuer of the status of performance and level of completion thereunder, in form and substance acceptable to Pelorus. Neither Pelorus nor the Designee will assume any obligation whatsoever to pay or assume any liability under any of the Issuer's and the Subsidiaries' existing contracts. Neither Pelorus nor any Designee shall have any obligation to assume any liability to pay, honor, or assume any Outstanding Payables.

9. The Issuer and the Subsidiaries will turn over to Pelorus all of their respective cash, account balances, deposits (including security deposits, utility deposits, or otherwise), capital expenditure account balances, accounts receivable and collections thereof, and any other cash proceeds of the Loan Collateral.

10. The Designee is acquiring the assets of the cannabis business of Lyfted Farms and Dalvi, without the assumption of any obligations, debts, or liabilities, whether arising on account of the operation of the cannabis business or otherwise.

Based on discussions with representatives of Pelorus and management of TransCanna, Evans & Evans understands that there is no expectation or assurance that the Unsecured Creditors will receive any payment or other consideration in exchange for providing the Indebtedness Release.

The Issuer is in the process of attempting to enter settlement agreements and payment plans with the Regulatory Creditors as such amounts must be paid in order for Lyfted Farms to continue to operate as a going concern and maintain its operating licenses. Evans & Evans cannot provide any comments as to what these payment plans, or settlements will result in with respect to the repayment of outstanding amounts.

Summary Terms of the Option

1. Pelorus or, a designee to be determined (the "Optionee"), will be granted the right (the "Call Right"), but not the obligation, to cause TransCanna to issue to the Optionee, or such other person as designed by the Optionee, such number of common shares in the capital of TransCanna as is equal to up to 95% of the issued and outstanding common shares of TransCanna as of the applicable closing date(s) (calculated on a fully-diluted basis after giving effect to the common shares issued upon exercise of the Call Right) at the Call Purchase Price (as defined below).

2. The purchase price per common share at which the Issuer shall be required to issue the common shares (the "Call Purchase Price") in connection with the exercise of the Call Right shall be equal to US$0.00001 per common share (subject to any customary adjustment).

3. In further consideration of the Call Right contemplated in the Option, the Optionee shall cause TransCanna to be removed as a guarantor under the Pelorus Loan Agreement on the later of: (a) the date of the issuance of the first shares in connection with the exercise of the Option; and (b) the date that is 15 months following the first date written in relation to the call exercise notice. Notwithstanding the foregoing, the Optionee will have no obligation to remove the Issuer as a guarantor under the Loan Agreement in the event the Optionee does not exercise any part of the Call Right.

1.06 The Board retained Evans & Evans to act as an independent advisor to the Board and to prepare and deliver the Opinion to the Board to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view, to TransCanna, the Non-Participating Shareholders and the Unsecured Creditors.

2.0 Engagement of Evans & Evans, Inc.

2.01 Evans & Evans was formally engaged by the Board pursuant to an engagement letter signed December 19, 2022, as amended January 6, 2023 (the "Engagement Letter") to prepare the Opinion.

2.02 The Engagement Letter provides the terms upon which Evans & Evans has agreed to provide the Opinion to the Board. The terms of the Engagement Letter provide that Evans & Evans is to be paid a fixed professional fee for its services. In addition, Evans & Evans is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Issuer in certain circumstances. The fee established for the Opinion is not contingent upon the opinions presented.

2.03 Evans & Evans has no present or prospective interest in TransCanna, the Subsidiaries or Pelorus, or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

3.0 Scope of Review

3.01 In connection with preparing the Opinion, Evans & Evans has reviewed and relied upon, or carried out, among other things, the following:

- Interviewed management of TransCanna on several occasions to understand the current position of the Issuer, short-term expectations, and the rationale for the Proposed Transaction.
- Reviewed the Issuer's website (www.transcanna.com).
- Reviewed the draft Deed in Lieu of Foreclosure Agreement and the draft form of the Call Option Agreement.
- Reviewed the Loan Agreement, by and among, Pelorus, Dalvi, Lyfted Farms and TransCanna dated, July 29, 2022.
- Reviewed the TransCanna Information Certificate dated, July 29, 2022, related to the above Pelorus Loan Agreement.
- Reviewed the management-prepared monthly burn analysis and funding requirement model for the Issuer for the period October 2022 to November 2023.
- Reviewed the loan amortization schedule for the $15,808,000 loan amount from Pelorus to Dalvi with the principal maturing on July 1, 2026.
- Reviewed the Pelorus payment statement for October 2022.
- Reviewed the Issuer's condensed consolidated interim financial statements for the nine-month period ended August 31, 2022.
- Reviewed the Issuer's management discussion and analysis for the nine-month period ended August 31, 2022 and the year ended November 30, 2022.

- Reviewed the Issuer's consolidated financial statements for the years ended November 30, 2019 to 2021 as audited by Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants of Vancouver, British Columbia.

- Reviewed the list of Issuer shareholders and the current share capitalization table.

- Reviewed Certificates of Good Standing for TransCanna (November 17, 2022), Dalvi (November 14, 2022) and Lyfted Farms (November 14, 2022).

- Reviewed information on outstanding litigation involving TransCanna.

- Reviewed the Senior Unsecured Convertible Debenture dated July 29, 2022 issued by TransCanna to Global Tech Opportunities 2.

- Reviewed the Convertible Unsecured Debentures issued September 14, 2022 and maturing September 14, 2023. The debentures were issued by TransCanna.

- Reviewed the Resolutions of the Board of the Issuer to borrow from Global Tech Opportunities 2 the aggregate principal amount of up to $9.5 million.

- Reviewed the Share Lending Agreement between Arni Johannson ("AJ") and Global Tech Opportunities 2 dated July 29, 2022. AJL agreed to lend Global Tech Global Tech Opportunities 2 8,791,352 common shares.

- Reviewed the Issuance Agreement between TransCanna and Global Tech Opportunities 2 for the purchase of senior unsecured convertible debentures and warrants dated July 29, 2022.

- Reviewed the Debt Settlement Agreement, dated July 25, 2022, between TransCanna and Alan Applonie. The debt was settled in exchange for common shares of TransCanna at a deemed price of $0.10 per common share.

- Reviewed the Debt Settlement Agreement, dated November 30, 2022, between TransCanna and Joshua Mann. The debt was settled in exchange for common shares of TransCanna at a deemed price of $0.02 per common share.

- Reviewed a screen shot of Cannabis Tax owed by Lyfted Farms for the period September 2020 to March 2022. Also reviewed a subscription screenshot of the Issuer requesting relief from the California Department of Tax and Fee Administration.

- Reviewed a screenshot of amounts owed by TransCanna to legal counsel.

- Reviewed a Payoff Letter, dated July 20, 2022, from Cool Swang, LLC ("Cool Swang") to Pelorus Fund REIT LLC. The Payoff letter noted that as of the receipt of the pay-off amount all amounts due from TransCanna all of Cool Swang's liens on and security

interests in any assets of TransCanna and its affiliates are automatically terminated and irrevocably released.

- Reviewed a Promissory Note, dated July 1, 2022, in the principal amount of US$1,159,796 from TransCanna to Cool Swang.

- Reviewed a management-prepared summary of amounts due from Lyfted Farms to the Internal Revenue Service related to unpaid federal and payroll taxes as of August 31, 2022.

- Reviewed a letter, dated December 6, 2022, to TransCanna from Maynaard Cooper & Gale, legal counsel requesting payment of outstanding invoices.

- Reviewed the Promissory Note, dated November 12, 2019, issued by Lyfted Farms to certain noteholders relating to the purchase of Lyfted Farms by TransCanna.

- Reviewed the Modification of Convertible Promissory Note and Conversion to Unsecured Promissory Note with Borrower's Confession of Judgement without Action Upon Default, dated July 25, 2022, between TransCanna, Lyfted Farms, Dalvi and Wildhorse Properties, L.P. ("Wildhorse Properties").

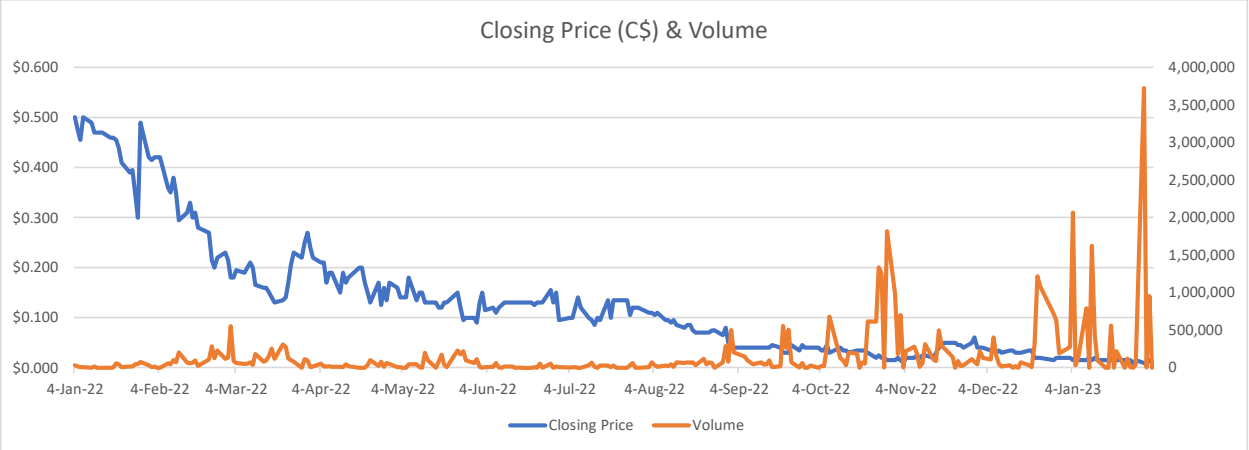
- Reviewed the Debt Settlement Agreement, dated July 25, 2022, between TransCanna and Wildhorse Properties.

- Reviewed a Conversion Notice, dated November 17, 2022, which resulted in principal and interest from September 15, 2021 debentures being concerned into units of the Issuer.

- Reviewed a Payment Installment Agreement dated, December 1, 2022, related to employment taxes owed by Lyfted Farms.

- Reviewed the press releases of TransCanna for the 18 months preceding the date of the Opinion.

- Reviewed the trading price of the Issuer on CSE for the period between January 1, 2022 and February 3, 2023. As can be seen from the chart below, the Issuer's stock price movement is quite volatile, and the share price has declined from a high of $0.50 in January 2022 to a low of $0.01 in November 2022. As of the date of the Opinion, the Issuer's shares were trading in the range of $0.01to $0.015 per common share. Trading volumes increased significantly in the last quarter of calendar 2022 and into February of 2023.



- Reviewed stock market trading data and financial information on the following companies: GABY Inc.; Grapefruit USA, Inc.; 4Front Ventures Corp.; Cresco Labs Inc.; Glass House Brands Inc.; Lowell Farms Inc.; Sunset Island Group, Inc.; NewBridge Global Ventures, Inc.; The Greenrose Holding Company Inc.; Vibe Growth Corporation; Halo Collective Inc.; C21 Investments Inc.; Red White & Bloom Brands Inc.; Sunniva Inc.; and YourWay Cannabis Brands Inc.

- Reviewed information on mergers & acquisitions in the North American cannabis industry.

- Reviewed information on the cannabis market from a variety of sources.

- Reviewed information on the settlements made to creditors in default and liquidation scenarios from a variety of sources.

Limitation and Qualification: Evans & Evans did not visit the offices of TransCanna or any of the Subsidiaries.

4.0 Market Overview

4.01 In assessing the fairness of the Proposed Transaction as of the date of the Opinion, Evans & Evans did review the market opportunity for Lyfted Farms and Dalvi.

4.02 The global legal cannabis market was valued at US$17.8 billion in 2021 and is expected to expand at a compounded annual growth rate ("CAGR") of 25.3% to reach US$135.5 billion by 2030.[3] North America is the largest cannabis market owing to the abundance of local cannabis growers, high acceptance rate of cannabis, and the more favorable regulatory climate for cannabis as compared to other regions in the world. The North America market has contributed over 80% of the global cannabis market's revenue share in 2021.[4] The COVID-19 pandemic has had both positive and negative effects on the cannabis industry.

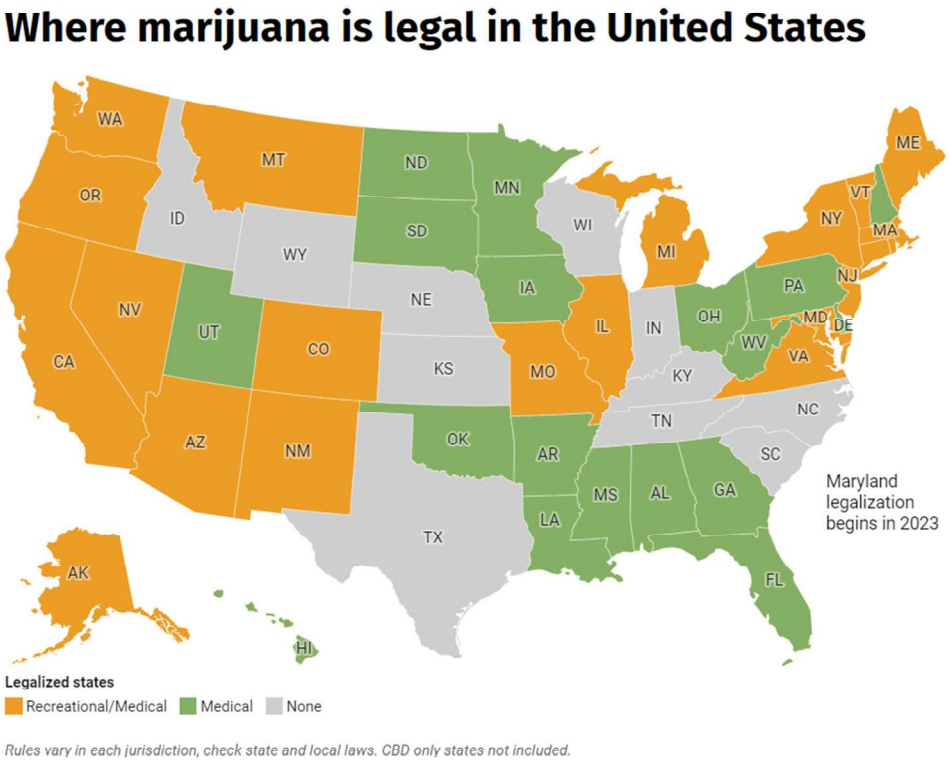
[3] https://www.grandviewresearch.com/industry-analysis/legal-cannabis-market
[4] https://www.grandviewresearch.com/industry-analysis/legal-marijuana-market

The pandemic has caused various disruptions including supply shortage and shipping delay.[5] However, due to boredom, stress and loneliness, many people have increased their cannabis consumption during the lockdowns caused by the pandemic, significantly driving the demand.[6]

Many countries have legalized the cultivation and domestic use of cannabis due to various considerations. For example, the Congressional Research Service in the US projects that, taxing and regulating cannabis instead of outlawing it would bring in US$6.8 billion in excise taxes alone for the government.[7] North America is currently leading the cannabis legalization campaign. In the US, as of January 2023, 21 states have legalized the use of recreational cannabis; the use of medical cannabis has been legalized in 39 states.[8] It is expected that more states will legalize medical or recreational cannabis by 2030 in the US[9]. According to Pew Research Center's study in 2021, 91% of the US adults support cannabis legalization, with 60% supporting both medical and recreational cannabis and 31% supporting only medical cannabis.[10]

Despite the fact that, in the US, marijuana remains a controlled substance owing to its high risk for abuse, the US Food and Drug Administration ("FDA") still supports sound and scientifically based research of drug products containing cannabis or cannabis-derived compounds which are able to address unmet medical needs. For example, in 2014, the FDA granted the Fast Track ("FT") designation to GW Pharmaceuticals to accelerate the development of the drug candidate "Epidiolex", which is made from a purified extract of cannabis plant and is used to treat seizures associated with Lennox-Gastaut syndrome, Dravet syndrome, or tuberous sclerosis complex[11]. According to a 2019 survey by the California Pharmacists Association, more than 75% of pharmacists would consider discussing the use of medical cannabis with patients after receiving the approval from the FDA[12]. The below chart outlines the US states, where marijuana is legalized.

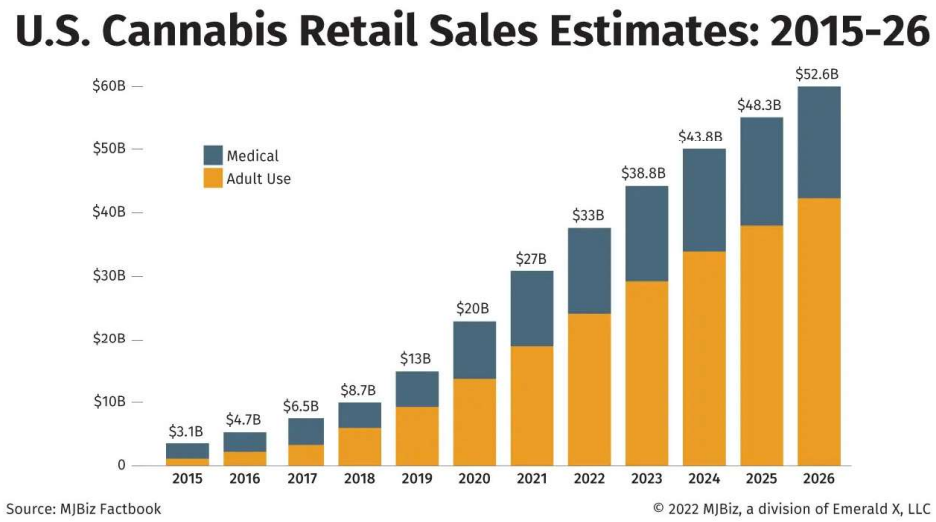
[5] https://ca.news.yahoo.com/global-legal-cannabis-market-analysis-124300191.html
[6] https://www.dw.com/en/un-legalization-and-covid-lockdowns-increase-cannabis-use/a-62271485
[7] https://www.mpp.org/issues/legalization/top-ten-reasons-to-end-marijuana-prohibition/
[8] https://mjbizdaily.com/map-of-us-marijuana-legalization-by-state/
[9] https://info.newfrontierdata.com/us-cannabis-2022
[10] https://www.pewresearch.org/fact-tank/2021/04/26/facts-about-marijuana/
[11] https://nida.nih.gov/about-nida/noras-blog/2018/07/fda-approves-first-drug-derived-marijuana
[12] https://www.grandviewresearch.com/industry-analysis/legal-cannabis-market



Given North Americans' strong demand for cannabis products, a rising number of companies have involved in the cannabis growing business. In North America, cannabis is mostly grown indoor, under high output lighting.[13] The average size of cannabis cultivation sites in the US increased from 18,200 square feet in 2016 to 33,900 square feet in 2021.[14]

In the US, cannabis retail sales increased from US$3.1 billion in 2015 to US$27 billion in 2021. It is also anticipated that the sales amount will double in five years and surpass US$52.6 billion in 2026. Notably, since 2018, cannabis for adult use has generated higher sales than cannabis for medical uses and such trend is likely to persist in the coming years.[15] However, in the short term, the demand for cannabis products may have moderate growth as high inflation is reducing people's purchasing power worldwide. In a survey conducted by CBD Oracle in September 2022, 57% of regular cannabis users reported that they will buy less cannabis if the price continues to rise.[16]

[13] https://www.ourcommons.ca/Content/Committee/421/HESA/Brief/BR9074797/br-external/TantalusLabs-e.pdf
[14] https://www.statista.com/statistics/1126837/average-area-size-for-cannabis-growing-operations-us/
[15] https://mjbizdaily.com/us-cannabis-sales-estimates/
[16] https://www.prnewswire.com/news-releases/54-of-cannabis-users-will-buy-less-if-inflation-raises-weed-prices-survey-finds-301624977.html



4.03 California pioneered the modern cannabis policy reform movement in 1996 when voters passed Proposition 215, the *Compassionate Care Act*. State voters approved Proposition 215, the law that made it legal for doctors to recommend cannabis to patients. On November 8, 2016, California voters approved cannabis for recreational use.

On June 27, 2017, the legislature passed, and Governor Brown signed into law the *Medicinal and Adult-Use Cannabis* Regulation *and Safety Act* ("MAUCRSA"), which creates the general framework for the regulation of both commercial medicinal and adult-use (recreational) cannabis. Under MAUCRSA, the Bureau of Cannabis Control (the "Bureau") is the lead agency. The Bureau is charged with licensing, regulation, and enforcement of the following types of commercial cannabis businesses: distributors, retailers, microbusinesses, temporary cannabis events, and testing laboratories. The Manufactured Cannabis Safety Branch, a division of the California Department of Public Health ("CDPH"), is responsible for regulating and licensing manufacturers. CalCannabis Cultivation Licensing, a division of the California Department of Food and Agriculture ("CDFA"), is responsible for licensing cultivators and implementing the Track-and-Trace system. In 2021, the Bureau, CDPH, and CDFA were merged into a newly formed department: California Department of Cannabis Control ("CDCC"). Through CDCC, California aims to centrally regulate the cannabis operation within the state.[17]

On January 1, 2018, the state began issuing licenses for commercial cannabis activity. Additionally, on January 1, 2018, two new cannabis taxes went into effect: a cultivation tax on all harvested cannabis that enters the commercial market and a 15% excise tax on the purchase of cannabis and cannabis products.

As of December 2021, California had issued 12,227 commercial cannabis licenses to cannabis businesses throughout California, including 8,504 cultivators, 915 manufactures

[17] https://www.bcc.ca.gov/

and 842 retailers, 362 delivery services, 1056 distributors, 308 microbusinesses, 152 transporters, 46 event organizers and 42 testing laboratories.[18]

After the legalization of cannabis in California, the state has become the largest legal cannabis market in the world, with taxable sales of approximately US$5.7 billion in 2021[19]. However, the sales figures are showing downward trend. In the second quarter of 2022, California's cannabis market generated taxable sales of US$1.41 billion, a 10% decline compared to the second quarter of 2021.[20]

California's cannabis market continues to face serious problems like a large number of illicit (unlicensed) growers, as well as inferior but cheaper cannabis products. Proposition 64 granted municipalities the power to ban cannabis as they see fit and 68% of the cities in California refused to permit the cannabis industry, restricting the legal market from expanding and bolstering the still-vibrant illicit market.[21] Additionally, the price of cannabis products sold through illicit channels may only be half or a third of the price of nearly identical items sold in licensed dispensaries.[22] A study conducted by Marijuana Business Daily in February 2020 reveals that, California had only 823 licensed cannabis retail dispensaries, but close to 3,000 retailers and delivery services operate in the state without a permit. California had the lowest per capita saturation of cannabis retail stores among those western states in the US as of October 2021. There were only 2.1 stores per 100,000 residents in the state.

4.04 Despite some reform measures at the federal level, the U.S. marijuana industry still labours under federal illegality and the tax burden, banking challenges and an increasingly uncertainty financing market. As a result of the aforementioned challenges, the industry trades at a sharp discount on a variety of metrics, according to Matt Karnes, founder of consultancy GreenWave Advisors LLC[23]. One of the main reasons for the poor performance of cannabis stocks in 2022 has been the inability of both large and small companies to effectively access capital. "The theme for 2022 is we're seeing a cannabis capital collapse, to be honest, and even if you're able to raise when it's very difficult, the cost of capital is much more expensive than before," Rami El-Cheikh, strategy partner and cannabis lead with EY-Parthenon.

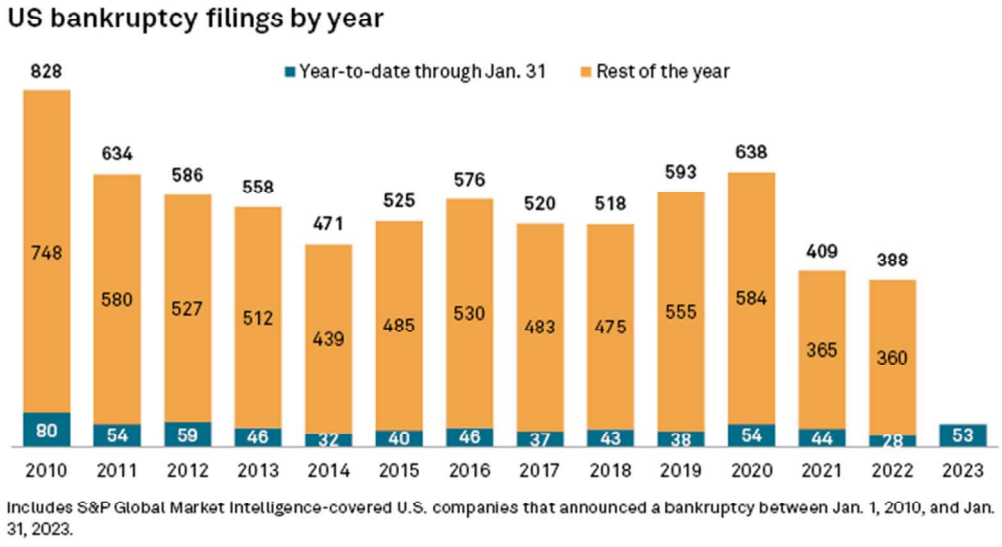
According to a December 2022 article in MJBizDaily[24], 2022 was a difficult year in Canada for cannabis investors. According to the article, 14 companies operating in the cannabis space applied for creditor protection under the *Companies Creditors Arrangement Act* ("CCAA") between January 1 and December 22, 2022. A partner in the restructuring and

[18] https://cannabusinessplans.com/california-cannabis-market/
[19] https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=CannabisTaxRevenues
[20] https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=CannabisTaxRevenues
[21] https://www.northbaybusinessjournal.com/article/industrynews/california-north-coast-cannabis-industry-continues-to-be-challenged-local/
[22] https://www.politico.com/news/2021/10/23/california-legal-illicit-weed-market-516868
[23] https://money.usnews.com/investing/stock-market-news/slideshows/best-marijuana-stocks-to-buy
[24] https://mjbizdaily.com/struggling-cannabis-companies-turn-to-canadian-insolvency-law-ccaa/

insolvency group at Canadian law firm Cassels Brock & Blackwell said the cannabis sector CCAA trend started in 2020 and appears to be accelerating.

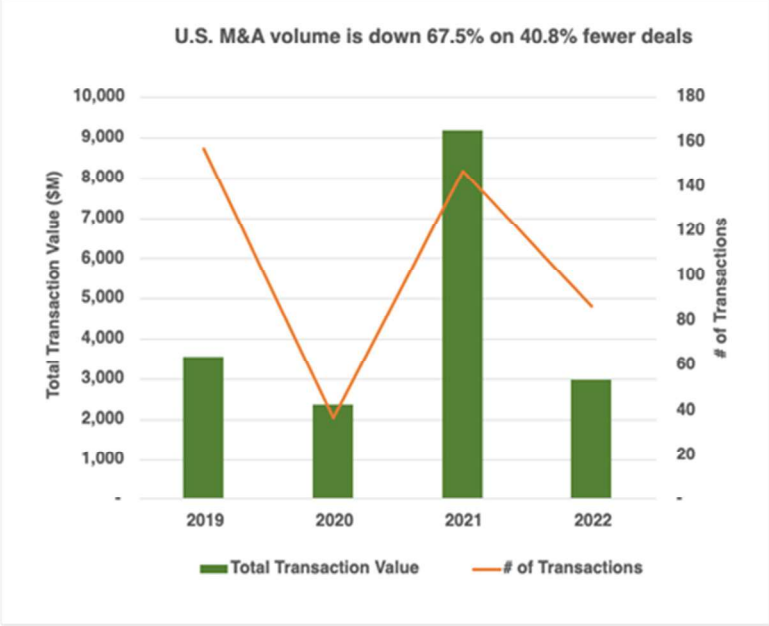
On December 8, 2022, The Flowr Corporation ("Flowr") announced that its subsidiary, The Flowr Canada Holdings ULC, has entered into a binding agreement with Avant Brands K1 Inc, formerly, 1000343100 Ontario Inc. ("Avant") pursuant to which Avant will acquire all of the shares of The Flowr Group (Okanagan) Inc. ("Flowr Okanagan"), and certain other assets of Flowr, comprising substantially all of the assets of the company, for total consideration of $5,115,000 plus the amount of the closing debt loan and the assumed liabilities. The transaction is the result of the sale and investment solicitation process (the "SISP") conducted under the company's announced CCAA proceedings. Avant acted as the company's interim lender to fund the CCAA proceedings and other working capital requirements, and also acted as the stalking horse bidder under the SISP. In the 12-months ended September 30, 2022, Flowr had revenues of approximately $12.5 million, implying a multiple of 0.4x trailing 12-month revenues.

According to data from S&P Capital IQ, U.S. corporate bankruptcy filings increased for the second month in a row in January 2023. There were 53 bankruptcy filings in January 2023, up from 50 in December 2022. The monthly total for January 2023 was the highest since March 2021.



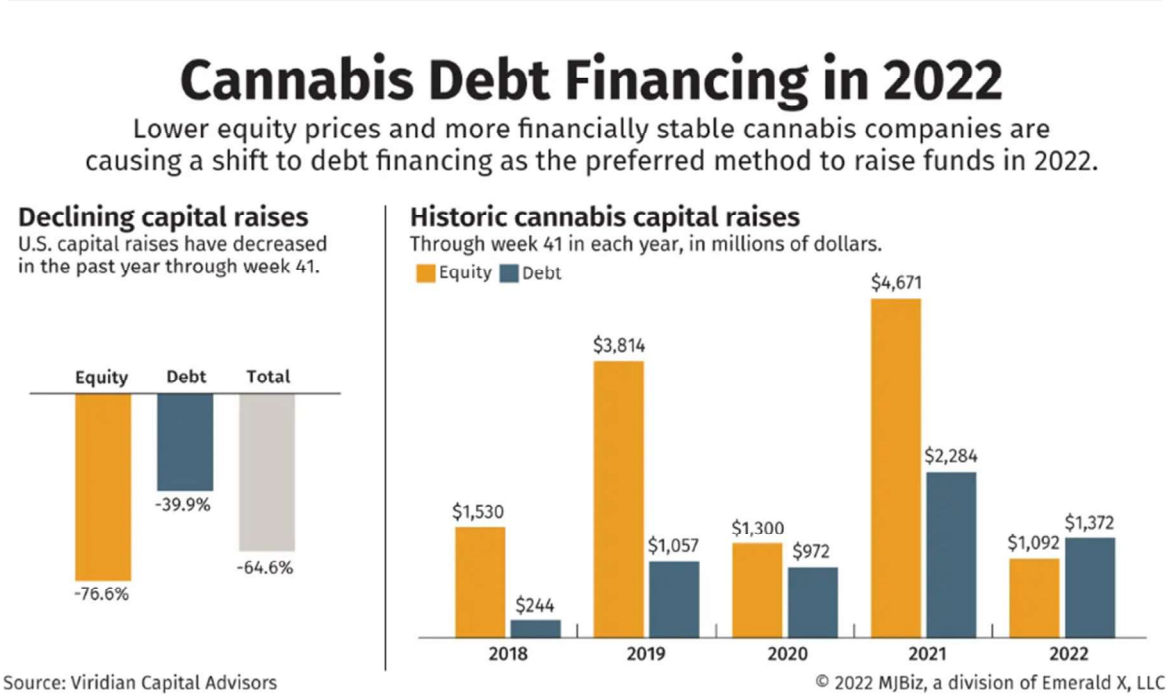
Data compiled Feb. 1, 2023.
Includes S&P Global Market Intelligence-covered U.S. companies that announced a bankruptcy between Jan. 1, 2020, and Jan. 31, 2023.
S&P Global Market Intelligence's bankruptcy coverage is limited to public companies or private companies with public debt where either assets or liabilities at the time of the bankruptcy filing are greater than or equal to $2 million, or private companies where either assets or liabilities at the time of the bankruptcy filing are greater than or equal to $10 million.
Source: S&P Global Market Intelligence.

4.05 In 2022, mergers and acquisitions activity in the cannabis sector declined significantly and this trend is expected to continue in 2023. In the first 10 months of 2022, mergers & acquisitions in the cannabis sector were down 67.5% with 40.8% fewer transactions than the same period in 2021[25].



[25] https://www.viridianca.com/deal-tracker/cannabis-deal-tracker-week-43-2021

As can be seen from the following graphic, debt and equity financings for companies in the cannabis sectors as of the end of October 2022, were down more than 40% and 65%, respectively, compared to the same period in 2021[26].



5.0 Prior Valuations

5.01 The Issuer represented to Evans & Evans that there have been no formal valuations or appraisals relating to TransCanna, the Subsidiaries, or any affiliate or any of its material assets or liabilities made in the preceding two years which are in the possession or control of TransCanna.

6.0 Conditions and Restrictions

6.01 The Opinion is for the Board's internal use only. The Opinion may be shared with the Board's legal advisors, and management of TransCanna at the discretion of the Board. The final Opinion is intended for placement on TransCanna's file. The final Opinion may be included in any materials provided to the Issuer's shareholders.

6.02 The Opinion may not be issued to any international stock exchange and/or regulatory authority beyond the Exchange.

6.03 The Opinion may not be issued and/or used to support any type of value with any other third parties, legal authorities, nor stock exchanges, or other regulatory authorities, nor any

[26] https://mjbizdaily.com/debt-financing-eclipses-equity-in-us-cannabis-cultivation-and-retail-fundings/

tax authority. Nor can it be used or relied upon by any of these parties or relied upon in any legal proceeding and/or court matter.

6.04 Any use beyond that defined above is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.

6.05 The Opinion should not be construed as a formal valuation or appraisal of TransCanna, the Subsidiaries, or their securities or assets. Evans & Evans, has, however, conducted such analyses as we considered necessary in the circumstances.

6.06 In preparing the Opinion, Evans & Evans has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Issuer. Evans & Evans has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Opinion has also been used.

The Opinion is based on: (i) our interpretation of the information which TransCanna and the Subsidiaries, as well as their representatives and advisers, have supplied to-date; (ii) our understanding of the terms of the Proposed Transaction; and (iii) the assumption that the Proposed Transaction will be consummated in accordance with the expected terms.

6.07 The Opinion is necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us until the date of the Opinion. It is understood that subsequent developments may affect the conclusions of the Opinion, and that, in addition, Evans & Evans has no obligation to update, revise or reaffirm the Opinion.

6.08 Evans & Evans denies any responsibility, financial, legal, or other, for any use and/or improper use of the Opinion however occasioned.

6.09 Evans & Evans is expressing no opinion as to the price at which any securities of TransCanna or the Subsidiaries will trade on any stock exchange at any time.

6.10 Evans & Evans is expressing no opinion as to whether any alternative transaction might have been more beneficial to TransCanna, the Non-Participating Shareholders or the Unsecured Creditors.

6.11 Evans & Evans reserves the right to review all information and calculations included or referred to in the Opinion and, if it considers it necessary, to revise part and/or its entire Opinion and conclusion in light of any information which becomes known to Evans & Evans during or after the date of this Opinion.

6.12 In preparing the Opinion, Evans & Evans has relied upon a letter from management of TransCanna confirming to Evans & Evans in writing that the information and

management's representations made to Evans & Evans in preparing the Opinion are accurate, correct, and complete, and that there are no material omissions of information that would affect the conclusions contained in the Opinion.

6.13 Evans & Evans has based its Opinion upon a variety of factors. Accordingly, Evans & Evans believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by Evans & Evans, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Evans & Evans' conclusions as to the fairness, from a financial point of view to the Non-Participating Shareholders of the Proposed Transaction were based on its review of the Proposed Transaction taken as a whole, in the context of all of the matters described under "Scope of Review", rather than on any particular element of the Proposed Transaction or the Proposed Transaction outside the context of the matters described under "Scope of Review". The Opinion should be read in its entirety.

6.14 Evans & Evans was not requested to, and we did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of or merger with the Issuer. Our opinion also does not address the relative merits of the Proposed Transaction as compared to any alternative business strategies or transactions that might exist for the Issuer, the underlying business decision of the Issuer to proceed with Proposed Transaction, or the effects of any other transaction in which the Issuer will or might engage.

6.15 Evans & Evans expresses no opinion or recommendation as to how any Non-Participating Shareholder should vote or act in connection with the Proposed Transaction, any related matter, or any other transactions. We are not experts in, nor do we express any opinion, counsel, or interpretation with respect to, legal, regulatory, accounting or tax matters. We have assumed that such opinions, counsel, or interpretation have been or will be obtained by the Issuer from the appropriate professional sources. Furthermore, we have relied, with the Issuer's consent, on the assessments by the Issuer and its advisors, as to all legal, regulatory, accounting and tax matters with respect to the Issuer and the Proposed Transaction, and accordingly we are not expressing any opinion as to the value of the Issuer's tax attributes or the effect of the Proposed Transaction thereon.

6.16 Evans & Evans is providing no opinion as to the legality of Pelorus' right to exercise its rights and remedies against the Loan Collateral following the defaults of the Issuer and its Subsidiaries on the Pelorus Loan.

6.17 Evans & Evans and all of its Principal's, Partner's, staff or associates' total liability for any errors, omissions, or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Opinion.

No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Opinion.

7.0 Assumptions

7.01 In preparing the Opinion, Evans & Evans has made certain assumptions as outlined below.

7.02 With the approval of TransCanna and as provided for in the Engagement Letter, Evans & Evans has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by it from public sources or provided by the Issuer or its affiliates or any of their respective officers, directors, consultants, advisors or representatives (collectively, the "Information"). The Opinion is conditional upon such completeness, accuracy, and fair presentation of the Information. In accordance with the terms of the Engagement Letter, but subject to the exercise of its professional judgment, and except as expressly described herein, Evans & Evans has not attempted to verify independently the completeness, accuracy, or fair presentation of any of the Information.

7.03 Senior officers of TransCanna represented to Evans & Evans that, among other things: (i) the Information (other than estimates or budgets) provided orally by an officer or employee of TransCanna or in writing by TransCanna (including, in each case, affiliates and their respective directors, officers, consultants, advisors and representatives) to Evans & Evans relating to TransCanna, the Subsidiaries, their affiliates or the Proposed Transaction, for the purposes of the Engagement Letter, including in particular preparing the Opinion was, at the date the Information was provided to Evans & Evans, fairly and reasonably presented and complete, true and correct in all material respects, and did not, and does not, contain any untrue statement of a material fact in respect of TransCanna, the Subsidiaries, their affiliates or the Proposed Transaction and did not and does not omit to state a material fact in respect TransCanna, the Subsidiaries, their affiliates or the Proposed Transaction that is necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; (ii) with respect to portions of the Information that constitute financial estimates or budgets, they have been fairly and reasonably presented and reasonably prepared on bases reflecting the best currently available estimates and judgments of management of TransCanna, the Subsidiaries or their associates and affiliates as to the matters covered thereby and such financial estimates and budgets reasonably represent the views of management of TransCanna and the Subsidiaries; and (iii) since the dates on which the Information was provided to Evans & Evans, except as disclosed in writing to Evans & Evans, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Issuer, the Subsidiaries or any of their affiliates and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.

7.04 In preparing the Opinion, we have made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided

to us, all of the conditions required to implement the Proposed Transaction will be met, all consents, permissions, exemptions or orders of relevant third parties or regulating authorities will be obtained without adverse condition or qualification, the procedures being followed to implement the Proposed Transaction are valid and effective and that the disclosure provided or (if applicable) incorporated by reference in any documents provided to shareholders with respect to the Issuer, the Subsidiaries and the Proposed Transaction will be accurate in all material respects and will comply with the requirements of applicable law. Evans & Evans also made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Evans & Evans and any party involved in the Proposed Transaction. Although Evans & Evans believes that the assumptions used in preparing the Opinion are appropriate in the circumstances, some or all of these assumptions may nevertheless prove to be incorrect.

7.05 The Issuer, the Subsidiaries, and all of their related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Opinion that would affect the evaluation or comment.

7.06 As of August 31, 2022 all assets and liabilities of TransCanna have been recorded in their accounts and financial statements and follow International Financial Reporting Standards.

7.07 There were no material changes in the financial position of the Issuer and the Subsidiaries between the date of the Issuer's most recently publicly available financial statements and the date of the Opinion unless noted in the Opinion. The reader is advised to refer to the cash and debt position of the Issuer as of the date of the Opinion as outlined in section 1.03 of this Opinion.

7.08 Representations made by the Issuer as to the number of shares outstanding and the share structure of the Issuer are accurate.

7.09 ***All Unsecured Creditors will be treated equally with respect to the negotiation of the Indebtedness Release.*** This is a **critical** assumption of the Opinion. Such equal treatment would also apply to any current or future payments in the form of cash, securities or payment in kind from any party to the Proposed Transaction which is linked to the settlement of the outstanding debt / liabilities as of the date of the Opinion that may be offered to individual Unsecured Creditors and not to all Unsecured Creditors. Evans & Evans understands the operating assets of Lyfted Farms and Dalvi may result in ongoing business relationships with certain Unsecured Creditors that may continue post-Proposed Transaction, but it is assumed any future dealings will be undertaken at market rates.

8.0 Analysis of TransCanna

8.01 In assessing the fairness of the Proposed Transaction, Evans & Evans considered the following analyses and factors, amongst others: (1) current trading price; (2) guideline

company analysis; (3) historical financing analysis; (4) mergers & acquisition analysis and (5) other considerations.

8.02 Evans & Evans reviewed the financial position of TransCanna as of the date of the Opinion. TransCanna had significant secured and unsecured debt as of the date of the Opinion. Between August 31, 2022 (the date of the most publicly released financial statements) and the date of the Opinion, the Issuer's financial position has changed material and its cash balance is nominal. TransCanna and the Subsidiaries are reliant on funding from Pelorus, provided monthly based on an agreed-to budget, to maintain current operations. Lyfted Farms is not currently operating at a level where the assets are generating a sufficient return to service its debt.

8.03 Evans & Evans assessed the reasonableness of the Proposed Transaction based on a review of the trading price of the Issuer's shares on the Exchange. As can be seen from the tables below, TransCanna's average closing trading price has declined from $0.062 to $0.013 per common share over the 180-day period prior to the date of the Opinion. In the 30 trading days preceding the date of the Opinion, the Issuer's volume weighted average price ("VWAP") has decline from $0.016 to $0.01 per common share.

Trading Price - C$	**February 2, 2023**		
	Minimum	**Average**	**Maximum**
10-Days Preceding	$0.010	$0.013	$0.015
30-Days Preceding	$0.010	$0.017	$0.035
90-Days Preceding	$0.010	$0.028	$0.060
180-Days Preceding	$0.010	$0.062	$0.155

Market Capitalization Based on Average Share Price			
Canadian Dollars			
Days Preceding the Date of Review			
10	**30**	**90**	**180**
$1,620,000	**$2,050,000**	**$3,440,000**	**$7,770,000**

As can be seen from the table below, in the 180 trading days preceding the date of the Opinion, approximately 34.8 million shares of TransCanna were traded, representing 27.9% of the issued and outstanding shares. Average trading volumes have been impacted by several days of higher-than-average volumes.

Trading Volume	**February 2, 2023**				
	Minimum	**Average**	**Maximum**	**Total**	**%**
10-Days Preceding	200	507,880	3,725,500	5,078,795	4.1%
30-Days Preceding	0	509,891	3,725,500	15,296,730	12.3%
90-Days Preceding	0	319,954	3,725,500	28,795,838	23.1%
180-Days Preceding	0	193,184	3,725,500	34,773,079	27.9%

In the view of the authors of the Opinion, trading price is not indicative of the fair market value of TransCanna or the Subsidiaries as of the date of the Opinion as the Issuer has not issued any press releases updating shareholders with respect to its financial position since entering into the Pelorus Loan Agreement.

8.04 Evans & Evans assessed the value of TransCanna based on the guideline public company analysis. Evans & Evans identified 15 guideline companies as outlined in the table below. Companies selected were primarily active in the U.S. cannabis industry, with a focus on cultivation and not retail activities. As shown in in the table, the identified guideline companies had enterprise value ("EV") to trailing twelve months ("TTM") revenue multiples ranging from 0.16x to 288.96x and EV to current fiscal year ("CFY") revenue multiples ranging from 0.75x to 2.97x.

Table 1 - Identified Guideline Public Companies

C$ Millions Company Name	Exchange: Ticker	Market Capitalization	Enterprise Value	TTM Revenue	TTM EBITDA	CFY Revenue	NFY Revenue	EV/ TTM Revenue	EV / TTM EBITDA	EV /CFY Revenue	EV / NFY Revenue
GABY Inc.	CNSX:GABY	3.57	38.01	28.17	(1.1)	29.4	n/a	1.35 (x)	n/a	1.29 (x)	n/a
Grapefruit USA, Inc.	OTCPK:GPFT	6.62	13.83	0.05	(1.8)	n/a	n/a	288.96 (x)	n/a	n/a	n/a
4Front Ventures Corp.	CNSX:FFNT	218.33	349.19	158.57	(9.8)	179.1	234.9	2.20 (x)	n/a	1.95 (x)	1.49 (x)
Cresco Labs Inc.	CNSX:CL	752.14	1,097.88	1,156.08	208.4	1,145.8	1,205.1	.95 (x)	5.27 (x)	.96 (x)	.91 (x)
Glass House Brands Inc.	OTCPK:GLAS.F	237.12	361.13	105.80	(63.2)	121.4	203.7	3.41 (x)	n/a	2.97 (x)	1.77 (x)
Lowell Farms Inc.	CNSX:LOWL	10.48	47.41	67.71	(21.2)	63.1	78.2	.70 (x)	n/a	.75 (x)	.61 (x)
Sunset Island Group, Inc.	OTCPK:SIGO	0.17	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NewBridge Global Ventures, Inc.	OTCPK:NBGV	0.01	(0.33)	0.01	(11.3)	n/a	n/a	n/a	n/a	n/a	n/a
The Greenrose Holding Company Inc.	OTCPK:GNRS	11.77	199.37	38.99	(15.8)	n/a	n/a	5.11 (x)	n/a	n/a	n/a
Vibe Growth Corporation	CNSX:VIBE	16.82	10.13	31.90	(2.9)	n/a	n/a	.32 (x)	n/a	n/a	n/a
Halo Collective Inc.	OTCPK:HCAN.F	2.51	14.87	38.91	(45.9)	n/a	n/a	.38 (x)	n/a	n/a	n/a
C21 Investments Inc.	CNSX:CXXI	44.42	47.68	40.24	10.3	n/a	n/a	1.18 (x)	4.61 (x)	n/a	n/a
Red White & Bloom Brands Inc.	CNSX:RWB	65.73	250.18	83.45	(7.1)	n/a	n/a	3.0 (x)	n/a	n/a	n/a
Sunniva Inc.	CNSX:SNN	123.34	(18.48)	35.04	(28.1)	n/a	n/a	n/a	n/a	n/a	n/a
YourWay Cannabis Brands Inc.	CNSX:YOUR	23.16	13.54	84.50	8.7	n/a	n/a	.16 (x)	1.56 (x)	n/a	n/a
							Minimum	**.16 (x)**	**1.56 (x)**	**.75 (x)**	**.61 (x)**
							Average	**25.64 (x)**	**3.81 (x)**	**1.59 (x)**	**1.19 (x)**
							Median	**1.27 (x)**	**4.61 (x)**	**1.29 (x)**	**1.20 (x)**
							Maximum	**288.96 (x)**	**5.27 (x)**	**2.97 (x)**	**1.77 (x)**

Evans & Evans focused its analysis on the thirteen companies as outlined in the table below selected based on the similarity of business with that of TransCanna's operating subsidiary Lyfted Farms. Companies selected had TTM revenues less than $175 million and were not multi-state operators. The selected guideline companies had EV to TTM revenue multiples ranging from 0.16x to 5.11x, with a median of 1.27x and an average of 1.78x. For the selected guideline companies, the EV to CFY revenue multiples ranged from 0.75x to 2.97x with an average of 1.74x and median of 1.62x. As of August 31, 2022, TransCanna had TTM revenues of approximately $3.9 million. The Pelorus Loan is $17.7 million (including unpaid interest and advances to January 31, 2023), implying a multiple in excess of 4.5x TTM revenues would be required in order for the value of Lyfted Farms to exceed the outstanding Pelorus Loan. As can be seen from the following table, cannabis companies with revenues less than $100 million are trading at multiples below 3x TTM revenues.

Table 2 - Selected Guideline Public Companies

C$ Millions Company Name	Exchange: Ticker	Market Capitalization	Enterprise Value	TTM Revenue	TTM EBITDA	CFY Revenue	NFY Revenue	EV/ TTM Revenue	EV / TTM EBITDA	EV /CFY Revenue	EV / NFY Revenue
GABY Inc.	CNSX:GABY	3.57	38.01	28.17	(1.1)	29.4	n/a	1.35 (x)	n/a	1.29 (x)	n/a
4Front Ventures Corp.	CNSX:FFNT	218.33	349.19	158.57	(9.8)	179.1	234.9	2.20 (x)	n/a	1.95 (x)	1.49 (x)
Glass House Brands Inc.	OTCPK:GLAS.F	237.12	361.13	105.80	(63.2)	121.4	203.7	3.41 (x)	n/a	2.97 (x)	1.77 (x)
Lowell Farms Inc.	CNSX:LOWL	10.48	47.41	67.71	(21.2)	63.1	78.2	.70 (x)	n/a	.75 (x)	.61 (x)
The Greenrose Holding Company Inc.	OTCPK:GNRS	11.77	199.37	38.99	(15.8)	n/a	n/a	5.11 (x)	n/a	n/a	n/a
Vibe Growth Corporation	CNSX:VIBE	16.82	10.13	31.90	(2.9)	n/a	n/a	.32 (x)	n/a	n/a	n/a
Halo Collective Inc.	OTCPK:HCAN.F	2.51	14.87	38.91	(45.9)	n/a	n/a	.38 (x)	n/a	n/a	n/a
C21 Investments Inc.	CNSX:CXXI	44.42	47.68	40.24	10.3	n/a	n/a	1.18 (x)	4.61 (x)	n/a	n/a
Red White & Bloom Brands Inc.	CNSX:RWB	65.73	250.18	83.45	(7.1)	n/a	n/a	3.0 (x)	n/a	n/a	n/a
Sunniva Inc.	CNSX:SNN	123.34	(18.48)	35.04	(28.1)	n/a	n/a	n/a	n/a	n/a	n/a
YourWay Cannabis Brands Inc.	CNSX:YOUR	23.16	13.54	84.50	8.7	n/a	n/a	.16 (x)	1.56 (x)	n/a	n/a
							Minimum	**.16 (x)**	**1.56 (x)**	**.75 (x)**	**.61 (x)**
							Average	**1.78 (x)**	**3.09 (x)**	**1.74 (x)**	**1.29 (x)**
							Median	**1.27 (x)**	**3.09 (x)**	**1.62 (x)**	**1.49 (x)**
							Maximum	**5.11 (x)**	**4.61 (x)**	**2.97 (x)**	**1.77 (x)**

In assessing the reasonableness of the above, we considered the following:

- There are a limited number of directly comparable public companies, when one considers differentiating factors such as size, location, services (cultivation only with no retail) and market niche.

- No company considered in the analysis is identical to TransCanna.

- An analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning the differences in the financial and operating characteristics of TransCanna, the Proposed Transaction and other factors that could affect the trading value and aggregate transaction values of the companies to which they are being compared.

Given the above-noted factors and our analysis of the observed multiples of selected public companies, Evans & Evans considered this approach with current trading price and the precedent transaction analysis, in making the final determination of the fairness of the Proposed Transaction.

Evans & Evans noted that the current operations of Lyfted Farms do not support a value above that implied by the Pelorus Loan. While operations are expected to expand with the completion and commission of the Daly Facility, TransCanna does not currently have the financial resources to complete the Daly Facility, maintain its cannabis licenses, continue to operate as a going concern and bring it to full production capacity. Dalvi, as a real estate holding company, only has value in the real estate. Based on discussions with management, the value of the real estate is below the value of the Pelorus Loan.

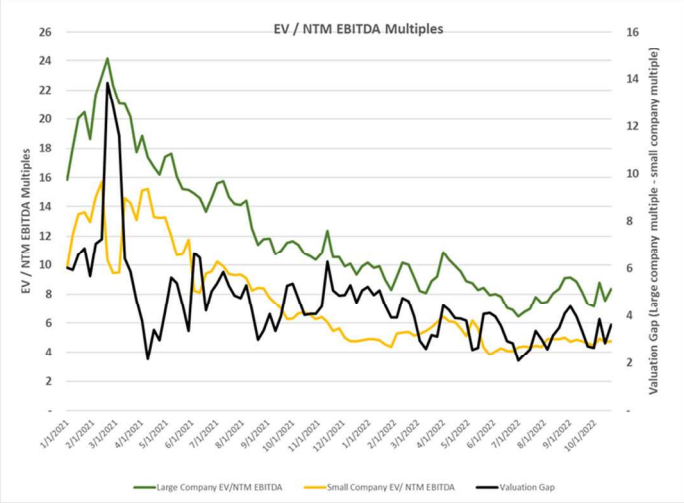
8.05 To assess the value of TransCanna, Evans & Evans also considered historical financings completed by TransCanna. During the period ended August 31, 2022, the Issuer issued 10.0 million units at a price of $0.10 per unit. Each unit was comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional share at an exercise price of $0.15 per share until April 1, 2023. As of the date of the Opinion, the Issuer's closing price on the Exchange was $0.015 per common share. Given the significant decline in trading price and the erosion of TransCanna's financial position, the last round of financing was not considered indicative of fair market value.

8.06 In reviewing the value of TransCanna and Lyfted Farms, Evans & Evans also considered the multiples implied by recent mergers & acquisitions activity in the cannabis sector. As outlined in section 4.05 of this Opinion, mergers & acquisition activity slowed significantly in 2022 and most industry analysts expect this slowdown to continue in 2023.

Even with the potential of the Daly Facility, EV to next 12-month ("NTM") earnings before interest, taxes depreciation and amortization ("EBITDA") have declined significantly in the past 24 months[27], with companies of the size of Lyfted Farms seeing multiples between

[27]https://www.viridianca.com/deal-tracker/cannabis-deal-tracker-week-43-2021

4x to 5x NTM EBITDA. It is unlikely, given the Daly Facility still requires approximately $3.9 million in expenditures, the positive EBITDA will be reached in the next 12 months.



8.07 In assessing the Proposed Transaction, Evans & Evans also assessed the proceeds that would be available to the Non-Participating Shareholders and the Unsecured Creditors, if Pelorus ceased funding TransCanna and the Issuer became unable to operate as a going concern. The Issuer's primary asset is the land, building and equipment at the Jerusalem Facility and the Daly Facility. While the Daly Facility has a significant book value, much of the work and value is derived from its use as a cannabis cultivation facility. Management estimates if Lyfted Farms became insolvent, it would not be able to maintain its cannabis licenses and the proceeds from the sale of the Daly Facility would be significantly below book value. In other words, the highest and best use of the Daly Facility is as a cannabis production facility, however that value can only be obtained if there is a licensed operator in that space.

In reviewing a liquidation scenario for Dalvi, Lyfted Farms and TransCanna, Evans & Evans considered the following.

1. Insolvency or bankruptcy proceedings can take months, and a company often requires a partner to fund operations during the period in which a reorganization plan can be identified. Given the significant secured debt due to Pelorus REIT, it would be a challenge, in the view of Evans & Evans, to find an investor willing to provide such funding.

2. In reviewing information on insolvency and bankruptcy proceedings, Evans & Evans found that that claim holders with higher priority may receive 100% of their claim in full before the next (lower priority) class receives any portion of the reorganization proceeds. Generally, secured creditors, are considered highest priority.

3. Evans & Evans found in its research that creditors such as the Regulatory Creditors, may be treated as a priority claim above other unsecured creditors.

4. In a data report issued by Moody's, the average corporate debt recovery rate in 2017 was 81.3% for loans, 52.3% for senior secured bonds, 52.3% for senior unsecured bonds, and 4.5% for subordinated bonds[28].

5. Moody Investors Service Global Credit Research found that from 1989 to 2006, the defaulted bond recovery rates by lien position have been roughly the same for Canadian and U.S.-based defaults[29].

6. According to a March 2022 report from Fitch Ratings, a decrease in first-lien term loan recoveries, driven by the pandemic, has begun to reverse, with 2021 ultimate recoveries reverting back to historical levels[30]. The average recovery rate in 2020 was 67%, and the median was 80%. Historically, first-lien term loan recoveries have been strong with 52% of claims obtaining ultimate recoveries of 91–100%. The average recovery rate is 76% and the median is 96% across all first-lien term loans in Fitch's bankruptcy case study dataset spanning 2002-2021. Recoveries on second-lien debt claims were only marginally higher than unsecured notes. The average second-lien ultimate recovery was 39% and 38% of the cohort recovered 10% or less. There was a similarly wide dispersion around the 35% average unsecured note recovery. Approximately 42% of unsecured note claims recovered 10% or less, but 22% recovered 71% or more of the claim amount.

9.0 Fairness Conclusions

9.01 In considering fairness, from a financial point of view, Evans & Evans considered the Proposed Transaction from the perspective of TransCanna and the Non-Participating Shareholders as a group and did not consider the specific circumstances of any particular shareholder, including with regard to income tax considerations.

9.02 Based upon and subject to the foregoing and such other matters as we consider relevant, it is our opinion, as of the date of the Opinion, that the Agreement is fair, from a financial point of view to the Non-Participating Shareholders and TransCanna. In arriving at this conclusion, Evans & Evans considered the following.

a. The current operations of Lyfted Farms are not generating a sufficient return to result in a value over and above the Pelorus Loan. While the revenues are expected to increase with the completion and commissioning of the Daly Facility, additional funding is required to complete that facility. Further, in the experience of Evans & Evans, cannabis facilities are generally considered special purpose facilities and without licensing, generally sell at a value below their total cost of investment.

[28] https://corporatefinanceinstitute.com/resources/commercial-lending/recovery-rate/
[29] Default and Recovery Rates of Canadian Corporate Bond Issuers, 1989 - 2006
[30] https://www.fitchratings.com/research/structured-finance/first-lien-term-loan-recoveries-dip-in-2020-begin-to-recover-in-2021-21-03-2022

b. In reviewing data on insolvency and non-performing loans, Evans & Evans found it was not unreasonable for secured creditors, such as Pelorus, to receive the maximum amount of their outstanding debt, if the value of the security is supportive of this analysis. Pelorus is currently the only creditor with any security. It is also not unusual for a secured creditor to exercise its rights and remedies negotiated under their lending agreements to claim rights to collateral securing their lending agreements.

c. In reviewing data on insolvency and non-performing loans, Evans & Evans found it was not unreasonable for Unsecured Creditors to receive little or no repayment of their outstanding debt. In the view of Evans & Evans, it is not unreasonable for the Unsecured Creditors to receive no such repayment given the value of the Issuer's and its Subsidiaries' assets relative to the existing secured Pelorus Loan.

d. The Option contains no fixed terms with respect to when the Optionor has a right to exercise the Option. As such, TransCanna remains as a guarantor on the Pelorus Loan for an indefinite period of time, which makes the Issuer, in the view of Evans & Evans, unfinanceable.

e. Without any operating assets, remaining creditors and the remaining guarantee on the Pelorus Loan and the Option, it is unclear how TransCanna will remain a going concern. However, in the view of Evans & Evans, given the debt position of the Issuer, there is no value in the equity as of the date of the Opinion.

10.0 Qualifications & Certification

10.01 The Opinion preparation was carried out by Jennifer Lucas and thereafter reviewed by Michael Evans.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1988. For the past 37 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period, he has been involved in the preparation of over 3,000 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the Canadian Institute of Chartered Business Valuators ("CICBV") and the American Society of Appraisers ("ASA").

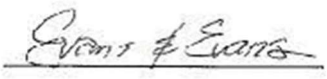
Ms. Jennifer Lucas, MBA, CBV, ASA, Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. Since joining Evans & Evans Ms. Lucas has been involved in writing and reviewing over 1,500 valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Masters in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. She is a member of the CICBV and the ASA.

10.02 The analyses, opinions, calculations and conclusions were developed, and this Opinion has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators.

10.03 The authors of the Opinion have no present or prospective interest in the Companies, or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

Yours very truly,



EVANS & EVANS, INC.

SCHEDULE "A"

DISSENT PROVISIONS

DIVISION 2 OF PART 8 OF
THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

Division 2 — Dissent Proceedings

Definitions and application

237(1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(iii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239(1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240(1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242(1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243(1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244(1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate

action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

CHARTER FOR THE AUDIT AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS (the "Board")
OF TRANSCANNA HOLDINGS INC.
(Adopted by the Board on February 13, 2019)

1.0 PURPOSE OF THE COMMITTEE

The Audit and Compensation Committee represents the Board in discharging its responsibility relating to:

(a) the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries;

(b) the establishment of key human resources and compensation policies, including all incentive and equity-based compensation plans;

(c) the performance evaluation of the Chief Executive Officer and the Chief Financial Officer, and determination of the compensation for the Chief Executive Officer, the Chief Financial Officer and other senior executives of Transcanna;

(d) appointment, training and evaluation of senior management; and

(e) remuneration of directors.

2.0 MEMBERS OF THE COMMITTEE

(a) The Board will appoint the members ("**Members**") of the Committee. The Members will be appointed to hold office until the next annual general Meeting of shareholders of Transcanna or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

(b) The Committee will consist of at least three directors. A majority of Members will meet the criteria for independence established by applicable laws and the rules of any stock exchanges upon which Transcanna's securities are listed, including section 1.4 of National Instrument 52- 110 - Audit Committees. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.

(c) At least one Member of the Audit and Compensation Committee must be "financially literate" as defined under Multilateral Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

(d) The chairman of the Committee (the "**Chairman**"), if present, will act as the chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee the Members in attendance may select one of their number to act as chairman of the Meeting.

(e) The Committee may delegate any or all of its functions to any of its Members or any sub-set thereof, or other persons, from time to time as it sees fit.

3.0 MEETING REQUIREMENTS

(a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than one (1) time per year. Twenty-four (24) hours advance notice of each Meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.

(b) The Chairman, if present, will act as the chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee the Members in attendance may select one of their number to act as chairman of the Meeting.

(c) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.

(d) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each Meeting of the Committee.

(e) In advance of every regular Meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the Meeting together with appropriate briefing materials. The Committee may require officers and employees of Transcanna to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4.0 DUTIES AND RESPONSIBILITIES

The Audit and Compensation Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements.

4.1 The duties and responsibilities of the Committee as they relate to audit functions are as follows::

(a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;

(b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;

(c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;

(d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;

(e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;

(f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;

(g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;

(h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;

(i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;

(j) oversee and annually review the Company's Code of Business Conduct and Ethics;

(k) approve material contracts where the Board of Directors determines that it has a conflict;

(l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;

(m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;

(n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;

(o) review and monitor all related party transactions which may be entered into by the Company; and

(p) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

4.2 The duties and responsibilities of the Committee as they relate to compensation functions are as follows:

(a) Annually review the performance objectives for the Chief Executive Officer, the Chief Financial Officer and the senior executives' and, in the Committee's discretion, recommend any changes to the Board for consideration;

(b) Annually review and evaluate the performance of the Chief Executive Officer and the Chief Financial Officer in light of pre-established performance objectives and report its conclusions to the Board;

(c) Annually review the compensation for the Chief Executive Officer and the Chief Financial Officer and, in the Committee's discretion, recommend any changes to the Board for consideration;

(d) Annually review the Chief Executive Officer's recommendations for the senior executives' compensation and, in the Committee's discretion, recommend any changes to the Board for consideration;

(e) Ensure compensation policies for the directors, the Chief Executive Officer, the Chief Financial Officer and the senior executives:

(1) properly reflect their respective duties and responsibilities;

(2) are competitive in attracting, retaining and motivating people of the highest quality;

(3) align the interests of the directors, the Chief Executive Officer, the Chief Financial Officer and the senior executives with shareholders and Transcanna as a whole;

(4) are based on established corporate and individual performance objectives; and

(5) are clearly distinguishable between each other, that is, the structure of non-executive directors' compensation should be distinguishable from that of executive directors and senior executives;

(f) Annually review Transcanna's succession plan for the Chief Executive Officer, the Chief Financial Officer and senior management, including appointment, training and evaluation;

(g) Annually review directors' compensation and, in the Committee's discretion, recommend any changes to the Board for consideration;

(h) Review all annual executive compensation disclosure before it is publicly released;

(i) Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties; and

(j) Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.

5.0 REPORTING

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve executive compensation disclosure to be included in the management proxy circular. The Secretary will circulate the minutes of each Meeting of the Committee to the members of the Board.

6.0 ACCESS TO INFORMATION AND AUTHORITY

The Committee will be granted unrestricted access to all information regarding Transcanna that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members.

The Committee has the authority to retain, at Transcanna's expense, independent legal, financial, compensation consulting and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board.

7.0 REVIEW OF CHARTER

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

8.0 MISCELLANEOUS

Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.