JUVA LIFE INC.

ANNUAL INFORMATION FORM

For The Financial Year Ended December 31, 2020

May 14, 2021

Suite 1400 885 West Georgia Street
Vancouver, BC
V6C 3E8

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TERMS OF REFERENCE

In this Annual Information Form (the "**AIF**"), unless the context otherwise dictates, references to the "Company", "Juva", "we" and "our" refer to Juva Life Inc.

This AIF, which covers the Company's year ended December 31, 2020 and is dated May 14, 2021, and, unless specifically stated otherwise, all information disclosed in this AIF is provided as of the date hereof. For an explanation of the capitalized terms and expressions and certain defined terms, please refer to the *Glossary of Terms* below.

In this AIF, unless otherwise indicated, all references to "$" or "dollars" refer to United States Dollars, all references to "CAD$" refer to Canadian Dollars.

MARKET DATA

Unless otherwise indicated, information contained in this AIF concerning the industry and markets in which the Company operates, including its general expectations and market position, market opportunity and market share is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and Management estimates.

The Management estimates in this AIF are derived from publicly available information released by independent industry analysts and third party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and markets, which the Company believes to be reasonable. The Company's internal research has not been verified by any independent source, and it has not independently verified any third-party information. While the Company is not aware of any misstatement regarding any industry or market data included in this AIF, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the *Risk Factors*.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This AIF contains forward-looking information and forward-looking statements (collectively, "forward-looking statements") that relate to the Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements, although not all forward-looking statements include such words. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business, prospects and financial needs. These forward-looking statements include, among other things, statements relating to.

- uncertainties with respect to the effects of the novel coronavirus known as COVID-19 ("**COVID-19**") will directly and indirectly have on the Company;
- performance of the Company's products and product candidates;
- supply and demand of the Company's products;

- projections on revenues generated from the sale of the Company's products (or related products);
- regulatory approval and market acceptance of the Company's products;
- growth strategy and opportunities;
- anticipated operating expenses and business operational requirements;
- future funds from operations; and
- expectations regarding the ability to raise capital.

The forward-looking statements and information contained in this AIF are based on certain key expectations and assumptions made by the Company, including expectations and assumptions relating to the ongoing ability of the Company to develop, manufacture and market its products, the availability of capital to undertake planned expenditures, the ability of the Company to attract wholesale and retail customers, the ability of the Company to obtain regulatory approval for its products, the market for the Company's products will continue to grow. the availability and cost of labour and services and prevailing applicable laws remaining unchanged. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors", which may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements and information contained in this AIF are made as of the date hereof and, unless so required by applicable law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information future events or otherwise. The forward-looking statements and information contained in this AIF are expressly qualified by this cautionary statement

All of the forward-looking statements contained in this AIF are expressly qualified by the foregoing cautionary statements.

GLOSSARY OF TERMS

Unless otherwise defined in this AIF, the following is a glossary of certain terms used in this AIF:

"**2019 Plan**" means the stock option plan adopted by the Company under which the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase Common Shares.

"**Audit Committee**" means the audit committee of the Company.

"**Board of Directors**" or "**Board**" means the board of directors of the Company.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Common Shares**" means a common stock in the capital of the Company.

"**Compensation Committee**" means the compensation committee of the Company.

"**Corporation**" means Juva Life Inc., a company incorporated under the laws of the Province of British Columbia on April 3, 2019.

"**CSA**" means the United States *Controlled Substances Act*.

"**CSE**" means the Canadian Securities Exchange.

"**CUP**" means Conditional Use Permit.

"**DEA**" means United States Drug Enforcement Agency.

"**FDA**" means the United States Food and Drug Administration.

"**FDCA**" means the United States Federal Food Drug and Cosmetic Act.

"**Governance Committee**" means the governance committee of the Company.

"**Hayward Facilities**" means the Company's properties located at Hayward, CA.

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

"**Juva Holdings**" means Juva Holdings (California) Ltd., a corporation incorporated under the laws of the State of California on April 11, 2019.

"**Juva RWC**" means Juva RWC, Inc., a corporation incorporated under the laws of the State of California on June 20, 2019.

"**Juva Stockton**" means Juva Stockton, Inc., a corporation incorporated under the laws of the State of California on June 21, 2019.

"**Juva USA**" means Juva Life, Inc., a corporation incorporated under the laws of the State of California, on June 29, 2018, a wholly-owned subsidiary of the Company.

"**MD&A**" means management's discussion and analysis.

"**Merger Agreement**" means an Agreement and Plan of Merger dated May 15, 2019 by and among the Company, Juva USA, and Juva Holdings.

"**Navy Drive Facility**" means the Company's approximate 11,448 square foot facility located on Navy Drive in Stockton, California.

"**NDA**" means New Drug Application.

"**NI 52-110**" means National Instrument 52-110 - *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 - *Disclosure of Corporate Governance Practices.*

"**Precision"** means Precision Apothecary, Inc., a corporation incorporated under the laws of the State of California on January 11, 2018.

"**RSU**" means restricted share unit.

"**San Juan Facility"** means leased location in Stockton, CA that has local permits for cultivation, manufacturing, distribution and delivery. This facility operates as Juva Stockton, Inc.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators.

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

"**USA**", "**United States**", "**U.S.**". or "**US**" means the United States of America, its territories and possessions, and any state and district of the United States.

"**VG**" means VG Enterprises, LLC, a California limited liability company formed on February 27, 2017.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was formed on April 3, 2019 under the laws of the Province of British Columbia, and is headquartered in Vancouver, British Columbia, Canada. As at December 31, 2020 and 2019, the Company operates in one reportable segment, being the cannabis operations which encompasses the production, distribution and sale of cannabis products. All non-current assets of the Company are located in the USA. The principal planned business of the Company is to acquire, own and operate cannabis businesses in the State of California.

The Company's mailing address is 885 West Georgia Street, Suite 1400, Vancouver, BC V6C 3E8 and its principal California-based executive office is located at 8 N San Pedro Road, Suite 200, San Jose, CA 95110. The Company's telephone number is 833-333-5882 and its website address is www.juvalife.com.

The Company's common shares (the "**Common Shares**") are listed and posted for trading on the CSE under the symbol "JUVA", the OTCQB under the symbol "JUVAF" and on the Frankfurt Exchange under the symbol "4VV.

Intercorporate Relationships

The following chart outlines the inter-corporate relationships between the Company and its subsidiaries and the jurisdiction of incorporation of each entity.

Entity	Registered	Holding
Juva Life, Inc.	California, USA	100% owned
Precision Apothecary, Inc.	California, USA	100% owned through Juva USA

1177988 B.C. Ltd.	British Columbia, Canada	100% owned through Juva USA
Juva RWC, Inc.	California, USA	100% owned through Juva USA
Juva Stockton, Inc.	California, USA	100% owned through Juva USA

Juva USA, a California corporation and wholly-owned subsidiary of the Company is a California-based cannabis company that was incorporated in June 2018 to acquire, own, and operate various cannabis businesses in the State of California. Juva USA became a wholly-owned subsidiary of the Company effective May 30, 2019, pursuant to an Agreement and Plan of Merger dated May 15, 2019 (the "**Merger Agreement**"), by and among the Company, Juva USA, and Juva Holdings (California) Ltd. ("**Juva Holdings**"), a California corporation and wholly-owned subsidiary of the Company formed for the purpose of the merger.

On July 31, 2018, Juva USA acquired all of the equity interests in Precision Apothecary, Inc., a California corporation ("**Precision**"), and VG Enterprises, LLC, a California limited liability company ("**VG**"), through a Contribution and Equity Exchange Agreement among Juva USA, Precision, VG and the holders of all the outstanding equity interests of Precision and VG, in exchange for (i) the issuance of 32,425,000 shares of common stock of Juva USA at the deemed issue price of $0.015 for an aggregate acquisition cost of $498,312 to the holders of the equity interests of Precision, and (ii) the issuance of 2,575,000 shares of common stock of Juva USA at the deemed issue price of $0.015 for an aggregate acquisition cost of $39,573 to the holders of the equity interests of VG. On March 31, 2021, the Company sold VG. The sale transaction was effected pursuant to an Agreement for Purchase of LLC Interest dated March 31, 2021, by and between the Company and Baja Investment Partners, LLC, a California limited liability company, as buyer. Pursuant to this agreement, the Company sold its 100% limited liability company membership interest in VG to Baja Investment Partners, LLC for a purchase price of $1,100,000.

Precision received local approval on July 3, 2019 for a Microbusiness Permit from the City of Hayward, California that will allow it to cultivate, manufacture and distribute cannabis and operate a retail cannabis storefront in the City of Hayward. Juva Stockton also has four CUPs that were granted on June 22, 2017 from the City of Stockton Planning Commission for cultivation, manufacturing, distribution and delivery to be performed at its Stockton Facility. On May 31, 2019, Juva RWC was granted by the City of Redwood City, California both a local and State license for delivery at its leased location in Redwood City, California, and began operations in January 2020.

Juva USA also incorporated 1177988 B.C. Ltd. in August 2018 under the laws of British Columbia, Canada, as a wholly-owned subsidiary of Juva USA. In June 2019, Juva USA formed Juva RWC, a California corporation and Juva Stockton, a California corporation, as wholly-owned subsidiaries of Juva USA.

The business of the Company will effectively be the business of Juva USA. Juva USA is a cannabis company that is working to establish itself as an emerging leader in the State of California in all areas of medical and recreational cannabis through its cultivation, manufacturing, distribution, retail, delivery, and research divisions.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The Company is a cannabis company that is working to establish itself as an emerging leader in the State of California in all areas of medical and recreational cannabis cultivation, manufacturing, distribution, sales, and research and development.

The strategic plan for the Company is to be a cannabis business that will operate with two main missions: (1) to achieve the lowest cost of production by owning at least one or more licenses for retail sales, manufacturing, distribution and cultivation of cannabis (including microbusiness licenses as described below), and use each license to assist the supply chain with a few key brick and mortar storefronts and multiple delivery businesses throughout the State of California; and (2) to develop "precision cannabis" products that deliver the right medicine to the right patient at the right time. The Company plans to develop intellectual property and secure patent protection on each of its custom medical formulations. Juva Research will develop the related intellectual property, research registries and patent formulations in areas of oncology, neurology, pain management and opiate reduction.

There are currently 33 states in the United States that have legalized medical cannabis use, and there are 11 states, plus the District of Columbia, in which the recreational sale and use of cannabis has been approved, including Alaska, Arizona, California, Illinois, Colorado, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New York, Oregon, Vermont and Washington. In these markets, we believe recreational and medical sales will continue to grow as new population groups realize the magnitude of cannabis applications and cannabis is accepted by more demographics. The Company plans to capitalize on the significant increase in cannabis consumption in the medical and recreational markets through an expansion of its distribution and product lines in key markets such as California. The Company will also seek opportunities to expand its brand in recreational and medical markets through its existing facilities or through acquisitions of additional licenses or processing and wholesaling operators. The Company plans to make strategic acquisitions to expand its brand as well as its supply chain.

The Company has built an executive team with decades of experience in business management, consumable goods, brand development, sales and marketing, and risk management. The experience of the Company's management team has allowed the Company to develop best practices, quality control standards, and global scale within the organization. To date, the Company has focused on obtaining permits and licenses in all verticals of the California cannabis market, including cultivation, manufacturing, retail, delivery and distribution, with the aim of becoming a fully-integrated cannabis company

Three Year History

Acquisition of Juva USA

On May 15, 2019, the Company entered into the Merger Agreement for the purpose of the merger. Under the terms of the Merger Agreement, Juva Holdings merged with Juva USA, the legal existence of Juva Holdings ceased, and Juva USA was the surviving entity, becoming a wholly-owned subsidiary of the Company. The merger was effective on May 30, 2019.

Offerings

In February 2020, the Company issued 36,198,782 units at a price of $0.50 per unit for gross proceeds of $18,099,391 in connection with its Regulation A offering. The units are comprised of one Common Share and one-half Common Share purchase warrant. Each warrant is exercisable at $0.75 for a period of 18 months.

Listing on the CSE

On November 17, 2020, the Company's Common Shares commenced trading on the CSE.

Other Recent Developments

The Company formed an advisory team in preparation of the development of "precision cannabis" products targeting the delivery of the "right formulation to the right individual at the right time." The Company plans to develop intellectual property and secure patent protection on each of its custom formulations and will focus its research registries in areas of inflammation, oncology, neurology, pain management, sleep, menopausal symptoms, and opiate reduction.

In 2021, the Company launched a clinical registry to evaluate cannabis formulations for clinical effect and mode of action. This is the first step towards building an integrated technology platform addressing unmet medical needs. The Company believes that, even with existing pre-clinical, clinical, and anecdotal data on the effect of cannabis, there is an absence of understanding of "how cannabis works" The Company enrolled its first human subject into its "Natural History of Disease: Cannabis Registry" clinical study (the "**Clinical Study**"). The establishment of this controlled patient registry Clinical Study is the Company's first step in establishing the clinical methodology to efficiently gauge the clinical effect of various cannabis-based formulations on human subjects. The Clinical Study registry is a prospective observation registry that will document the utility and patient experience for patients seeking to use therapeutic cannabis medicaments as a means of symptom relief and management related to various diseases. The Company has engaged TME Research, LLC to manage data collection around the Clinical Study. The Company anticipates the costs related to the Clinical Study to range between US$250,000 to US$500,000 depending on the number of patients ultimately enrolled. The Clinical Study is expected to complete in February 2025.

DESCRIPTION OF BUSINESS

General

The Company, through Juva USA, is vertically integrated and consists of six divisions: Juva Cultivation, Juva Research, Juva Manufacturing, Juva Distribution, Juva Retail, and Juva Delivery. Each division plays a crucial role in their overall goal of helping people feel better.

Juva Cultivation is the Company's cultivation operation which will focus on the production (growing) of high-quality cannabis for all of the Company's product lines.

Juva Retail is a network of retail cannabis facilities that will serve the San Francisco Bay Area and other areas within the State of California where the business is compliant with applicable local laws through storefront and non-storefront (delivery) locations.

Juva Research is the Company's therapeutics division which, when operational, will be involved in medicinal cannabis-based product research. The Company currently intends to develop and market products solely in the State of California under applicable state and local laws and regulations. The Company's planned activities do not currently involve interstate commerce, and therefore are not currently subject to prior approval requirements of the United States Food and Drug Administration (the "FDA"). If any of the Company's products and development activities become subject to federal drug approval processes and the Company decides to seek federal approval, the Company may need to comply with the drug research, approval and registration processes and requirements of the FDA and the United States Drug Enforcement Agency (the "**DEA**") for drugs developed and marketed on a national scale in the United States. If the Company decides to seek FDA and/or DEA approval or registration for any of its future cannabis-based products, there is no guarantee that the Company would be successful in obtaining such approvals or registrations.

Juva Manufacturing will create the Company's branded and white-label products for other recreational and medical-related cannabis companies.

Juva Distribution will distribute the Company's branded products and products from other licensed cannabis companies.

Juva Delivery is a network of cannabis delivery companies that service the San Francisco Bay Area and other cities within the State of California. The Company's Redwood City location opened in late January 2020. Juva Delivery offers a broad array of the trusted, lab-tested products: from flower, pre-rolls and health-conscious edibles, to tinctures, creams, transdermal patches.

The Company is in the process of applying for and obtaining licenses and permits in the localities in California in which it plans to operate and will commence operations once the required state and local licenses and permits are obtained. Although the Company initially plans to research, develop and market products on an intrastate basis that meet state and local regulatory requirements in California, if the Company's business transitions into interstate commerce in the future, the Company's business may eventually involve development and sale of cannabis based products that will require FDA and/or DEA drug approval(s) and/or registration(s). In such case, the Company's activities related to research, development and marketing of its products, including dietary supplements, will be conducted in accordance with applicable federal and state law requirements. The Company will seek and obtain applicable premarketing authorizations or registrations from the FDA and/or DEA, as applicable, prior to marketing its products. Currently, the FDA appears to be exercising enforcement discretion and not taking enforcement action against those entities that comply with state and local regulations for medicinal cannabis. However, the FDA could modify its position and take action against companies such as the Company in the future. The DEA has also been exercising enforcement discretion and not taking action against entities that comply with state and local laws; however, that position could change and the DEA could take adverse action against the Company.

The Company is capitalizing on the rapidly growing regulated cannabis market in the United States. To date, the Company has focused on obtaining permits and licenses in all verticals of the California cannabis market, including cultivation, manufacturing, retail, delivery and distribution. The Company will also seek opportunities to expand its brand in recreational and medicinal cannabis markets through its existing facilities or through acquisitions of additional licenses or processing and wholesaling operators. Juva Cultivation, Juva Research, Juva Manufacturing, Juva Distribution, Juva Retail, and Juva Delivery will continue business as distinct divisions of an effective vertical operation, sharing knowledge and expertise.

- ***Our Products and Services***

The Company is a cannabis company that is working to establish itself as an emerging leader in all areas of medical and recreational cannabis cultivation, manufacturing, distribution, sales, delivery and research and development.

Juva Cultivation will focus on cultivating and distributing high quality cannabis to medical and recreational cannabis users in the State of California via licensed cannabis retailers. Through its subsidiary, Precision, the Company has acquired the rights to the Frosted Flowers cannabis brand. Prior to the acquisition, Frosted Flowers grew 430 pounds of cannabis in 2018, and is expected to increase production to 9,445 pounds per year once all permits are in place and facilities are operational. Frosted Flowers is not cultivating cannabis in 2019, but the Company expects Frosted Flowers to be in production in late 2021 once all permits are in place and facilities are operational. Frosted Flowers has an extensive catalogue of proprietary bred genetics, with Silver Haze, Maple Wreck and Sumatra Kush being what the Company considers its signature strains.

Juva Retail is a network of retail cannabis facilities that will serve the San Francisco Bay Area and other areas within the State of California where the business is compliant with applicable local laws. Juva Retail intends to operate as a combination of non-storefront retail delivery businesses, pending receipt of necessary delivery licenses, and a few strategic storefront brick and mortar cannabis retail facilities. The Company currently has one delivery permit approved both by the State of California and the City of Redwood City, California. The Company previously had two microbusiness permit applications pending for adjacent properties in Hayward, California (the "Hayward Facilities"). However, the City of Hayward agreed to consider the two separately leased properties as one and approved them jointly under a single permit in June 2019. Once approved by the State, the Company will have a retail storefront as part of its microbusiness permit in Hayward. The Company also has two non-storefront retail delivery permits approved locally by the City of Stockton, CA at its San Juan and Navy Drive locations.

Juva Research will research and develop "precision cannabis" products to deliver the right medicine to the right patient at the right time. The Company plans to develop intellectual property and secure patent protection for each of its proprietary formulations for medical cannabis products. Through Juva Research, the Company plans to engage in research that will help with the following: developing intellectual property, research registries and patent formulations in areas of oncology, neurology, pain management and opiate reduction; conducting human interactive investigations for intramuscular pain, neuropathic pain, cancer, post-traumatic stress disorder, multiple sclerosis, epilepsy, muscle spasticity, autism, Parkinson's disease, and sleeping disorders; developing medical cannabis products utilizing five drug delivery mechanisms, including gel capsule, transdermal patch, inhaler, oral tongue strip and suppository; conducting Institutional Review Board approved patient research investigations; and testing and verifying product integrity through a network of doctors, clinics and at its newly developed Class 5 clean room. The Company currently intends to develop and market products solely in the State of California under applicable state and local laws and regulations. The Company's planned activities do not currently involve interstate commerce, and therefore are not currently subject to prior approval requirements of the FDA. If any of the Company's products and development activities become subject to federal drug approval processes and the Company decides to seek federal approval, the Company may need to comply with the drug research, approval and registration processes and requirements of the FDA and the DEA for drugs developed and marketed on a national scale in the United States. If the Company decides to seek FDA and/or DEA approval or registration for any of its future cannabis-based products, there is no guarantee that the Company would be successful in obtaining such approvals or registrations.

Juva Manufacturing will create the Company's branded and white-label products for other recreational and medical-related cannabis companies.

Juva Distribution will distribute the Company's branded products and products from other licensed cannabis companies.

Juva Delivery is a network of cannabis delivery companies that service the San Francisco Bay Area and other cities within the State of California. The Company's Redwood City location opened in late January 2020. Juva Delivery offers a broad array of the trusted, lab-tested products: from flower, pre-rolls and health-conscious edibles, to tinctures, creams, transdermal patches.

The Company is limited in how it can market its products, and while the research may be promising in terms of effectiveness and safety in treating these conditions, the Company will need to comply with applicable state and local laws and regulations, and the requirements of the FDA and DEA. The Company intends to leverage its brand development and marketing expertise to select products that will expand its shelf space and customer reach, as permitted under current cannabis regulations in California. Although the Company initially plans to research, develop and market products on an intrastate basis that meet state and local regulatory requirements in California, if the Company's business transitions into interstate commerce

in the future, the Juva Research business may involve development and sale of cannabis-based products that will require FDA and/or DEA approval and/or registration. If the FDA determines that a new drug approval is needed for any of the Company's products, the Company would need to proceed through the NDA process or modify its activities to comply with FDA requirements. Even if the Company were to submit an IND and NDA for FDA approval, there is no guarantee that the FDA would grant approval for all or event any of the cited indications.

- ***Facilities***

Stockton, California

The Company is currently operating and continuing to expand its state and locally permitted cannabis production facility on San Juan Drive in Stockton, California totaling approximately 30,000 square feet. The San Juan Facility will support cultivation, manufacturing, retail sales (non-storefront delivery only) and wholesale distribution.

San Juan Facility. The San Juan Facility has been designed as a cultivation, manufacturing, distribution and non-storefront retail delivery facility that will produce high quality flower and pre-rolls for both its branded products as well as white labeled products. This location has been granted all state and local permits for non-storefront retail delivery and is actively delivering direct to consumers in the north San Joaquin Valley. In addition, the San Juan Facility received all permits for cultivation in January 2021 and has recently planted its first crops. The final construction for the San Juan Facility is near completion, and includes fully-closed and sealed rooms, climate control sensors, special wall treatments, a holding safe to store over 1,000 pounds of cannabis and a packaging room. The San Juan Facility totals approximately 30,000 square feet, with 8,900 square feet of flowering canopy. The Company estimates that at full capability, this canopy will result in approximately 6,000 pounds of cannabis flower. Juva Stockton occupies the San Juan Facility under a 5-year sublease, commencing August 1, 2018, and pays $35,805 per month in rent (with annual increases).

Pursuant to Stockton Municipal Code Section 5.100.040, in order to operate legally in Stockton, the Company has obtained: (1) a proper Use Permit pursuant to Stockton Municipal Code Section 16.80.195 and 16.168; (2) an approved Operators Permit from the Chief of Police pursuant to Stockton Municipal Code Section 5.100.060; (3) a business license issued by the City of Stockton pursuant to Stockton Municipal Code Section 5.04.040; and (4) California State licenses for cultivation non-storefront retail. The Company is also in the process of procuring a California State license for the distribution of cannabis and intends to submit an application for a manufacturing license after that.

The Company is building the San Juan Facility in phases. The first phase required the build-out of the front offices. These offices were completed, and all local and California State authorizations and permits granted, in September 2020. This has allowed Juva to receive partial occupancy of the building and begin fully-licensed delivery operations in Stockton.

The next phase was finalizing the construction of the first two of five cultivation rooms, control room, dry rooms, trim rooms, and packaging rooms. These rooms were completed, and local City of Stockton approvals and permits received, in November 2020. The cultivation license from the State of California was granted in January 2021, the first crops planted in February 2021 and harvest of these initial crops is projected in late May 2021.

The final phase is the build-out of the remaining three cultivation rooms. The Company expects to begin this phase in the second quarter of 2021 and have it completed by the fourth quarter of 2021.

Hayward, California

The Company leases two properties adjacent to one another in Hayward. These two properties, the Clawiter Road Facility and the Enterprise Avenue Facility, are collectively referred to as the "Hayward Facilities." Together, they are being designed to be Juva's main corporate and operational campus for all of its divisions and will house Cultivation, Research, Manufacturing, Distribution, Retail, and Delivery operations.

The Hayward Facilities include two buildings, one with an existing Class 5 clean room as part of an 18,000 square foot building with an additional 11,000 square feet of greenhouses for cultivation. The other building (Enterprise) consists of about 6700 sq. ft. of warehouse to be used for delivery, distribution and packaging. The combined facility will also offer "white labeling" opportunities that can provide the means for new and existing out-of-state brands to introduce products in California. "White labeling" refers to entering into license agreements with third parties to manufacture and/or distribute such third parties' products.

The Hayward Facilities' other activities will include cultivation of high-quality greenhouse material for extraction, a flagship retail store, a delivery hub for the entire East San Francisco Bay area, post-process extraction of oil, CO2 extraction, formulation, isolation and contract product development. This is where research and development, and the manufacturing of capsules, edibles, transdermal patches, topical products, inhalers, and suppository products, will take place. The Hayward Facilities includes a total of approximately 35,000 square feet.

Clawiter Road Facility. Precision occupies the Clawiter Road property under a sublease with a term of four years and five months commencing August 1, 2018 and pays $24,040 per month in rent, increasing by approximately 3% annually.

Enterprise Avenue Facility. Precision occupies the Enterprise property under a sublease with a term of four years and five months, commencing August 1, 2018, and pays $9,117 per month in rent, increasing annually by approximately 3%.

Pursuant to Hayward Municipal Code Chapter 6, Article 14, and Chapter 10, Article 1, in order to operate the Hayward Facilities in Hayward, California, the Company must obtain: (1) an Administrative Use Permit or a Conditional Use Permit, depending on the type of license sought; (2) a Commercial Cannabis Permit; and (3) a State license for a microbusiness facility. The Company received approval of its Conditional Use Permit in October 2020. Demolition at the Hayward Facilities is complete, and the land entitlement are complete. The Company expects construction of the extraction area of the Hayward Facilities to be completed, and the laboratory and extraction facilities to be licensed and operational, by approximately the end of the third quarter of 2021. The Company expects construction on the cultivation, retail store, delivery and distribution facilities at the Hayward Facilities to be completed, licensed and operational, by fourth quarter of 2021.

Redwood City, California

Convention Way Facility. The Convention Way property is being used for a non-storefront retail (delivery) cannabis facility. Delivery service is available throughout the Bay Area Peninsula from San Francisco down to San Jose. The facility complies with all applicable local and state laws and has adequate controls in place against any diversion, theft, and loss of cannabis products. The Company believes this delivery business has access to approximately 1.67 million potential customers. The Convention Way property is approximately 1,345 square feet of office space. Juva RWC occupies the property under a 5-year lease, commencing December 1, 2018, and pays $6,421 per month in rent, increasing annually by approximately 3%. Pursuant to Article 59 of the Redwood City Municipal Code, in order to operate in Redwood City, the Company must obtain: (1) a Cannabis Business Permit; (2) a Conditional Use Permit; and (3) a State

License. The Company obtained approval of its Cannabis Business Permit on or about April 22, 2019; the Conditional Use Permit was approved on or about May 31, 2019; and the State license was issued in September 2019. The Company has received all local and state licenses necessary to operate and began delivery in January 2020.

- ***Permits***

Local Permits

To Summarize, the Company currently has the following local permits approved:

- Four (4) Conditional Use Permits for cultivation, manufacturing, delivery, and distribution at the San Juan Facility in Stockton, California.
- One fully approved non-storefront retail delivery license in Redwood City, California.
- One approved microbusiness permit for the combined operations at the Clawiter Road and Enterprise Avenue facilities in Hayward, California.

State Issued Permits

- The Company has a state license for its delivery operations in Redwood City, California.
- The Company has a state license for its delivery operations at the San Juan Facility in Stockton, California.
- The Company has a state license for its cultivation operations at the San Juan Facility in Stockton, California.
- The Company has a state license pending for its distribution operations at the San Juan Facility in Stockton, California.

- ***Leased Real Property***

Juva has four properties under lease in the State of California, which are in various stages of build-out. The leased properties are summarized below.

(1) *San Juan Property in Stockton, California.* The San Juan property is being designed for high quality flower cultivation, non-storefront retail sales, distribution and manufacturing (including white label production of products through licensing agreements). This location's non storefront retail facility is currently delivering directly to consumers in the north San Joaquin Valley and will operate as Juva's Central Valley distribution hub.

(2) *Clawiter Road Property in Hayward, California.* The Clawiter Road property is being designed as Juva's main operational hub, and is being built to encompass the following: house the Company's flagship retail store; act as the delivery hub for the East San Francisco Bay Area; perform post process extraction of oil; CO2 extraction, formulation, isolation and contract product development; and medicinal cannabis research and development, and manufacturing of related product formulations and greenhouse cultivation.

(3) *Enterprise Property in Hayward, California.* The Enterprise property is the building adjacent to the Clawiter Road property, and is being designed for non storefront delivery, distribution and packaging of inhouse manufactured capsules, edibles, transdermal, inhaler & suppository products.

(4) *Convention Way Property in Redwood City, California.* The Convention Way property is being used for non-storefront retail cannabis delivery throughout the Bay Area Peninsula from San Francisco down to San Jose.

In addition, the Company has the option to lease additional space in Redwood City, CA. This space is intended to be combined use for a future retail store and corporate office and administrative operational support for the Company. The Company will only exercise this option contingent on local approval for the recently submitted retail application.

➢ ***Intellectual Property***

The Company believes it is important to its success that it:

- Obtain and maintain patent, trademark and other legal protections for the proprietary formulations, research, technology, inventions, improvements and other intellectual property it considers important to its business;
- Prosecute its patent applications and defend its issued patents;
- Protect and enforce its trademark rights and preserve the confidentiality of its trade secrets; and
- Operate without infringing the patents, trademarks and proprietary rights of third parties.

The Company intends to seek appropriate patent protection and intellectual property protection for its business, as well as other proprietary technologies and their uses, by filing applications in the United States and selected other countries.

The Company has invested significant resources towards developing a recognizable and unique brand consistent with premium, high-end products in other industries. To date, the Company has one registered federal trademark with the United States Patent and Trademark Office and six pending trademark applications.

As of the date of this AIF, the Company has registered the following state trademarks in the State of California:

- Frosted Flowers
- www.frostedflowers.com

As of the date of this AIF, the Company has the following pending applications for federal trademarks in the United States:

Trademark	Classes	Classes & Goods (Table)	App No	App Date	Status
JUVA	40	40 - Manufacturing services for others in the field of dried plants and herbs, and live plants and plant seeds; Processing of herbs	88206128	26 Nov 2018	Pending
JUVA	31	31 - Dried plants; Herb seeds for planting; Live plants; Plant seeds	88206122	26 Nov 2018	Pending
JUVA	30	30 - Dried herbs	88206119	26 Nov 2018	Pending
		extracts; Medicinal herbs in dried or preserved form; Medicinal herbs; Plant and herb extracts sold as components of medicated cosmetics			
JUVA	1	1 - Plant and herb extracts for use in the manufacture of cosmetics	88206114	26 Nov 2018	Pending
JUVA	42	42 - Product development for others; Research and development of new products for others	88206130	26 Nov 2018	Pending

Trademark	Jurisdiction	App No	App Date	Reg No	Reg Date	Status
FF (design)	USA	86796677	22 Oct 2015	5237714	04 Jul 2017	Registered
FROSTED FLOWERS	USA	86796670	22 Oct 2015	5237713	04 Jul 2017	Registered
FROSTED FLOWERS	USA	88923952	19 May 2020			Pending
JUVA	Canada	A0095732	07 Apr 2020	1532209	07 Apr 2020	Registered
JUVA	EUTM	1532209	17 Nov 2020	1532209	31 Dec 2020	Registered
JUVA	United Kingdom	UK00801532209	17 Nov 2020			Brexit - to be refiled
JUVA	USA	88784312	04 Feb 2020			Pending
JUVA	USA	88863236	07 Apr 2020			Pending
JUVA	USA	88206128	26 Nov 2018			Pending
JUVA	USA	88206122	26 Nov 2018			Pending
JUVA	USA	88206119	26 Nov 2018			Pending
JUVA	USA	88206117	26 Nov 2018			Pending
JUVA	USA	88206114	26 Nov 2018			Pending
JUVA	USA	88784342	04 Feb 2020			Pending
JUVA	USA	88206130	26 Nov 2018			Pending
JUVA	WIPO	A0095732	07 Apr 2020	1532209	07 Apr 2020	Registered
JUVA LIFE	Canada	1568951	23 Sep 2020	1568951	07 Jan 2021	Registered
JUVA LIFE	EUTM	1568951	23 Sep 2020	1568951	07 Jan 2021	Registered
JUVA LIFE	United Kingdom		23 Sep 2020			Brexit - to be refiled
JUVA LIFE	USA	88923944	19 May 2020			Pending
KNOWING MORE FEELS BETTER	USA	90458851	11 Jan 2021			Pending
KNOWING MORE MAKES YOU FEEL BETTER	USA	90387271	16 Dec 2020			Pending
MYJUVA	USA	88928271	21 May 2020			Pending
MYJUVA Stylized	USA	90095812	05 Aug 2020			Pending
THE MORE YOU KNOW THE BETTER YOU FEEL	USA	90387248	16 Dec 2020			Pending

- ***Competition***

The Company faces, and expects to continue to face, competition from other companies in the medical and recreational cannabis industry, some of which may have longer operating histories, more financial resources and more experience than the Company. Increased competition by larger and well-financed competitors, and/or competitors that have longer operating histories and more manufacturing and marketing experience than the Company, could have a material adverse effect on the Company's business, financial condition and results of operations. As the Company and its subsidiaries operate in an early stage industry, the Company expects to face additional competition from new entrants. To remain competitive, the Company will require research and development, marketing, sales and other support.

The Company expects to face additional competition from new market entrants which are not yet active in the industry. If a significant number of new licenses are granted to new market entrants in the near term, the Company may experience increased competition for market share and may experience downward price pressure on the Company's products as new entrants increase production, which could have a material adverse effect on the Company's business.

In addition, if the number of users of cannabis increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in its facilities, licenses, branding, products and technologies, distribution, research and development, marketing, sales and client support. The Company may not have sufficient resources to complete the construction of its facilities, obtain the licenses needed to carry out our its business plan, and develop a marketing, sales and client support program on a competitive basis, which could materially and adversely affect the business, financial condition, and results of operations of the Company.

The Company's ability to become and remain competitive in the market will depend upon, among other things:

- The level of competition in the cannabis industry;
- The Company's ability to identify, acquire and integrate strategic acquisitions and partnerships;
- The Company's ability to obtain new licenses as cannabis is legalized at the state level;
- The Company's ability to achieve brand loyalty;
- The Company's ability to offer new products and to extend existing brands and products into new markets;
- The Company's ability to remain competitive in its product pricing; and
- The Company's ability to leverage its vertically-integrated business model to increase profitability.

Developments by others in our industry may render our products or technologies obsolete or non-competitive.

➢ ***Employees, Specialized Skills and Knowledge***

The Company has 24 full time employees.

In order to successfully run an integrated medical and recreational cannabis cultivation, manufacturing, distribution, sales, and research and development business, specialized skills and knowledge of marijuana growing, specialized equipment, product research, sales, marketing and distribution is required. The CEO, Douglas Chloupek, has over 10 years of experience in the industry and is a Board Member of Citizens Coalition for Patient Care and a founding member of the California Cannabis Industry Association.

Cannabis growing is a scientific process that uses specialized laboratory equipment and formulations. This requires in-depth knowledge of various chemical properties and plant interactions. Specialized equipment for growing is required. Once the cultivation process is complete, the dried flower is then incorporated into various different products (or sold as dried flower) which requires knowledge of metered dosing pharmaceutical principle as well as food safety rules and regulations. Marketing and distribution is also specialized for the cannabis industry and utilizes the experience and business relationships of the Company's current CEO to capitalize on favourable methodologies, processes and pricing. Brand recognition is also key for this business and has a direct relationship with the successful implementation and application of the specialized skills and processes described above. The Company's management team has over 20 years experience in the cannabis industry. Their knowledge and experience will be invaluable operationally and in navigating the regulatory framework of the California cannabis market.

➢ ***Government Regulation***

Government authorities in the United States, at the federal, state and local level, and in other countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of products such as those we plan to develop. In the United States, the cultivation, manufacturing, distribution, sale and use of cannabis is subject to regulation at the state and local level, and pharmaceutical product candidates are subject to FDA regulation and approval. To date, the FDA has only approved one cannabis-derived medication – Epidiolex.

In California, the Medicinal and Adult-Use Cannabis Regulation and Safety Act provides the general framework for the regulation of commercial medicinal and recreational cannabis within the State of California. California's three State cannabis licensing authorities include the Bureau of Cannabis Control, the Manufactured Cannabis Safety Branch (a division of the California Department of Public Health), and

CalCannabis Cultivation Licensing (a division of the California Department of Food and Agriculture). These three licensing authorities are tasked with issuing State licenses to applicants. As of the date of this AIF, there is no limit to the number of licenses the State will issue. The Bureau of Cannabis Control issues licenses for retail (storefront and non-storefront/delivery), distribution, microbusinesses (businesses that have at least three of the following activities: retail, distribution, manufacturing and/or cultivation), testing, and cannabis events. The Manufactured Cannabis Safety Branch issues licenses for manufacturing operations. CalCannabis issues licenses for cultivation operations.

Currently, the Company is in the process of obtaining cannabis licenses in California that will allow it to cultivate, manufacture, process, distribute, and sell cannabis products to medicinal and recreational cannabis users. If the Company obtains the necessary State and Local Authorizations to carry out its business plan, management anticipates increased manufacturing and sales capacity as well as efficiencies and cost reductions in the Company's supply chains. Please see “Description of Business” section for a description of licenses and permits the Company has obtained or is in the process of obtaining.

State cannabis licenses in California must be renewed annually. Depending on the jurisdiction, the Company's local authorizations must generally be renewed annually as well. Each year, licensees are required to submit a renewal application per State cannabis regulatory guidelines. Provided renewal applications are submitted in a timely manner, the Company can expect the renewals to be granted in the ordinary course of business.

The following is an overview of laws and regulations in the United States which pertain to the Company and its planned operations.

Regulation of Cannabis in the United States

Unlike Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the Access to Cannabis for Medical Purposes Regulations (Canada) and the regulation of recreational cannabis under the Cannabis Act (Canada), investors are cautioned that in the United States, cannabis remains illegal under United States federal law and is largely regulated at the State and local level. As of the date of this AIF, a total of 33 states, and the District of Columbia, have legalized cannabis in some form. The recreational use of cannabis has been legalized in the District of Columbia and 11 states, including Alaska, Arizona, California, Colorado, Illinois, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New York, Oregon, Vermont and Washington.

Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a Schedule I narcotic under the CSA in the United States and as such, remains illegal under United States federal law. Accordingly, the Company's business activities, while believed to be compliant with applicable state and local laws, are currently illegal under United States federal law. Unless and until the United States government amends the CSA with respect to cannabis, there is a risk that federal authorities may enforce current federal law. The risk of strict enforcement of the CSA in light of congressional activity, judicial holdings, and stated federal policy remains uncertain. Since federal law criminalizing the use of cannabis may pre-empt state laws legalizing its use, strict enforcement of federal law regarding cannabis would harm our business, prospects, results of operation, and financial condition. There is no guarantee that the Trump Administration or future Administrations will maintain the low-priority enforcement of federal laws in the cannabis industry that was adopted by the Obama Administration. Any change in the federal government's policy on enforcement of the CSA implementing stricter enforcement could have a material adverse effect on the Company's business, financial condition and results of operations and cause significant financial damage to our business and our shareholders.

Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements, arising from either civil or criminal proceedings brought by either the United States federal government or private citizens, including, but not limited to, property or product seizures, disgorgement of profits, cessation of business activities or divestiture. Such fines, penalties, administrative sanctions, convictions or settlements could have a material adverse effect on the Company, including, but not limited to, the Company's reputation, the Company's ability to conduct business, the Company's ability to obtain and/or maintain cannabis licenses, whether directly or indirectly, in the United States, the listing of the Company's securities on various stock exchanges, the Company's financial position, operating results, profitability or liquidity, and the market price of the Company's Common Shares.

State and local cannabis laws and regulations in the United States are complex, broad in scope, and subject to evolving interpretations and changes. Compliance with such laws and regulations could require the Company to incur substantial costs or alter certain aspects of the Company's business. A compliance program is essential to manage regulatory risk. All operating policies and procedures implemented in the operation will be compliance-based and derived from the state regulatory structure governing ancillary cannabis businesses and their relationships to state-licensed or permitted cannabis operators, if any. Notwithstanding the Company's efforts, regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming, and no assurance can be given that the Company will receive the requisite State and Local Authorizations to operate its planned businesses.

Violations of applicable State and local cannabis laws and regulations, or allegations of such violations, could disrupt certain aspects of the Company's business plan and result in a material adverse effect on certain aspects of the Company's planned operations. Additional regulations may be enacted in the future that will be directly applicable to certain aspects of the Company's cultivation, production and retail businesses, and the Company's ability to sell cannabis. The Company cannot predict the nature of any future laws, regulations, interpretations or applications, especially in the United States, nor can it be determined what effect additional governmental regulations or administrative policies and procedures, if and when promulgated, could have on the Company's business.

The Company will be required to obtain and maintain certain State and Local Authorizations in the jurisdictions where its operations are based and where its products are sold. There can be no assurance that the Company will be able to obtain or maintain the State and Local Authorizations necessary to operate its planned medical and recreational cannabis businesses. Failure to comply with or to obtain the necessary State and Local Authorizations , or any material delay in obtaining these items, is likely to delay and/or inhibit the Company's ability to conduct its business.

While the Company's management believes that legalization trends are favorable and create a compelling business opportunity for early movers, there is no assurance that those trends will continue and be realized, that existing limited markets will continue to be available, or that any new markets for cannabis will emerge. The Company's business plan is based on the premise that cannabis legalization will continue to expand, that consumer demand for cannabis will continue to exceed supply for the foreseeable future, and that consumer demand for cannabis for medical and recreational use will grow as legalization expands. If cannabis legalization is scaled back or reversed at the State level, or if the United States federal government increases regulation and prosecution of cannabis-related activities, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Compliance with Canadian Securities Administrators Staff Notice 51-352

Canadian Securities Administrators Staff Notice 51-352 (Revised) – Issuers with U.S. Marijuana-Related Activities ("**Staff Notice 51-352**") provides specific disclosure expectations for issuers that currently have,

or are in the process of developing, cannabis-related activities in the United States as permitted within a particular state's regulatory framework. All issuers with United States cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents.

In accordance with Staff Notice 51-352, the Company will evaluate, monitor and reassess the disclosure contained herein, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

As a result of the Company's cannabis activities in the United States, the Company is subject to Staff Notice 51-352 and accordingly provides the following disclosure.

The Company and its subsidiaries complies with applicable U.S. state licensing requirements as follows: (1) the Company and each subsidiary, as applicable, maintains the appropriate state and Local Authorization to conduct its business; (2) renewal dates for such licenses are docketed by legal counsel and/or other advisors; (3) random internal audits of the Company's and subsidiary's business activities are conducted by the State and local authority ensure compliance with applicable state and local law; (4) each employee is provided with an employee handbook that outlines internal standard operating procedures in connection the cultivation, possession and distribution of cannabis to ensure that all inventory and proceeds from the sale of such cannabis are properly accounted for and tracked and using scanners to confirm each customer's legal age and the validity of each customer's drivers' license and (5) each room that inventory and/or proceeds from the sale of such inventory enter is monitored by video surveillance. The Company's United States legal counsel reviews, from time to time, the licenses and documents referenced above in order to confirm such information and identify any deficiencies.

The Company and its subsidiaries have the required state and Local Authorizations that are in good standing to conduct the Company's business as described in this AIF. The Company, nor any subsidiary, has not experienced any non-compliance and is not subject to any notices of violation by its respective regulatory authority.

With respect to the Company's balance sheet and operating statement exposure to U.S. marijuana related activities, as at the date of this AIF, the Company's major operations are only in the United States.

The Company confirms that is has received U.S. legal advice with respect to its U.S. compliance with applicable state regulatory frameworks and potential exposure and implications arising from U.S. federal law.

FDA Approval Process for Pharmaceutical Drugs in the United States

Because cannabis is federally illegal to produce and sell in the United States, and because it currently has no federally recognized medical uses, the FDA has historically deferred enforcement related to cannabis to the DEA; however, the FDA has enforced the FDCA with regard to hemp-derived products, especially CBD, sold outside of state-regulated cannabis businesses. If cannabis were to be rescheduled to a federally controlled, yet legal, substance, the FDA would likely play a more active regulatory role with respect to cannabis and cannabis products. In the event that cannabis or any other cannabis products that the Company develops become subject to FDA regulation, the Company's future products may become subject to FDA approval processes for drugs marketed in the United States.

In the United States, the FDA regulates drugs under the FDCA and implementing regulations. Drugs are also subject to other federal, state and local statutes and regulations. Biological products are subject to

regulation by the FDA under the FDCA, the Public Health Service Act, and related regulations, and other federal, state and local statutes and regulations. Biological products include, among other things, viruses, therapeutic serums, vaccines and most protein products. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable United States requirements at any time during the product development process, approval process or after approval, may subject an applicant to administrative or judicial sanctions. FDA sanctions could include refusal to approve pending applications, withdrawal of an approval, a clinical hold, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. Any agency or judicial enforcement action could have a material adverse effect on our business, financial condition and results of operations.

The process required by the FDA before a drug or biological product may be marketed in the United States generally involves the following:

- Completion of preclinical laboratory tests, animal studies and formulation studies according to Good Laboratory Practices or other applicable regulations;

- Submission to the FDA of an Investigational New Drug Application (an "**IND**"), which must become effective before human clinical trials may begin;

- Performance of adequate and well-controlled human clinical trials according to the FDA's current good clinical practices ("**GCPs**") to establish the safety and efficacy of the proposed drug or biologic for its intended use;

- Submission to the FDA of an NDA for a new drug product, or a Biologics License Application (a "**BLA**") for a new biological product;

- Satisfactory completion of an FDA inspection of the manufacturing facility or facilities where the drug or biologic is to be produced to assess compliance with the FDA's current good manufacturing practice standards, or cGMP, to assure that the facilities, methods and controls are adequate to preserve the drug's or biologic's identity, strength, quality and purity;

- Potential FDA audit of the nonclinical and clinical investigation sites that generated the data in support of the NDA or BLA; and

- FDA review and approval of the NDA or BLA.

The lengthy process of seeking required approvals and the continuing need for compliance with applicable statutes and regulations require the expenditure of substantial resources. There can be no certainty that approvals will be granted. If a product receives regulatory approval, the approval may be limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling.

Any drug or biological products that receive FDA approval are subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information on an annual basis or as required more frequently for specific events, product sampling and distribution requirements, complying with certain electronic records and signature requirements and complying with FDA promotion and advertising

requirements, which include, among others, standards for direct-to-consumer advertising, prohibitions against promoting drugs and biologics for uses or in patient populations that are not described in the drug's or biologic's approved labeling (known as “off-label use”), rules for conducting industry-sponsored scientific and educational activities, and promotional activities involving the internet. Failure to comply with FDA requirements can have negative consequences, including the immediate discontinuation of noncomplying materials, adverse publicity, enforcement letters from the FDA, mandated corrective advertising or communications with doctors, and civil or criminal penalties. The FDA also may require post-marketing testing, known as Phase 4 testing, risk minimization action plans and surveillance to monitor the effects of an approved product or place conditions on an approval that could otherwise restrict the distribution or use of the product.

Environmental, Health and Safety Laws

The Company is subject to environmental, health and safety laws and regulations in each jurisdiction in which the Company operates. Such regulations govern, among other things, emissions of pollutants into the air, wastewater discharges, waste disposal, the investigation and remediation of soil and groundwater contamination, and the health and safety of the Company's employees. The Company may be required to obtain environmental permits from governmental authorities for certain of its current or proposed operations. If the Company violates or fails to comply with these laws, regulations or permits, the Company could be fined or otherwise sanctioned by regulators. As with other companies engaged in similar activities or that own or operate real property, the Company faces inherent risks of environmental liability at its current and historical production sites. Certain environmental laws impose strict and, in certain circumstances, joint and several liability on current or previous owners or operators of real property for the cost of the investigation, removal or remediation of hazardous substances as well as liability for related damages to natural resources. The costs of complying with current and future environmental and health and safety laws, and any liabilities arising from past or future releases of, or exposure to, regulated materials, may have a material adverse effect on the Company's business, financial condition and results of operations.

Response to COVID -19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

Risk Factors

The following are certain factors relating to the business of the Company, which factors investors should carefully consider before purchasing securities of the Company. In addition, the information set forth elsewhere in this AIF should be given special consideration when evaluating an investment in any of the Common Shares or other securities of the Company. These risks, described below, as well as additional risks and uncertainties not presently known to the Company, or that are currently considered immaterial, may impact the Company, operating results, liquidity and financial condition and could have material adverse affects. If any or all of these risks become increasingly significant and threaten the Company as a going concern, investors could lose a portion or all of their investment.

An investment in the Company is speculative. An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose

their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Company.

Risks Related to the Cannabis Industry and the Business of the Company and its divisions.

Our planned business is dependent on legislation pertaining to the cannabis industry.

Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the local, state and federal level. Any number of factors could slow or halt progress in this area, and continued progress for the industry cannot be assured. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of these factors could slow or halt use of cannabis, which would negatively impact our business. Investors are cautioned that in the United States, cannabis is largely regulated at the state level. To date, a total of 33 states, plus the District of Columbia, have legalized cannabis in some form. The recreational use of cannabis has been legalized in 10 states, including Alaska, California, Colorado, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont and Washington.

State laws allowing citizens to use medical and recreational cannabis are in conflict with the United States federal *Controlled Substances Act* (the "**CSA**"), which makes cannabis use and possession illegal at the federal level. Cannabis is a Schedule I controlled substance and is illegal under the CSA. Even in those states in which the use of cannabis has been legalized, its use remains a violation of federal law in the United States. Since federal law criminalizing the use of cannabis may pre-empt state laws legalizing its use, strict enforcement of federal law regarding cannabis would harm our business, prospects, results of operation, and financial condition.

While the Company's management believes that legalization trends are favorable and create a compelling business opportunity for early movers, there is no assurance that those trends will continue or be realized, that existing limited markets will continue to be available or that any new markets for cannabis will emerge. The Company's business plan is based on the premise that cannabis legalization will expand, that consumer demand for cannabis will continue to exceed supply for the foreseeable future, and that consumer demand for cannabis for medical and recreational use will grow as it becomes legal to possess and consume cannabis on a more widespread basis. There is no assurance that this premise will prove to be correct. Moreover, if cannabis legalization is scaled back or reversed at the state level, or if the United States federal government increases regulation and prosecution of cannabis-related activities, it could have a material adverse effect on the Company's business, financial condition and results of operations.

In a memorandum issued by the United States Department of Justice (the "**DOJ**") from former Deputy Attorney General James Cole in August 2013 (the "**Cole Memorandum**"), the Obama Administration effectively stated that it is not an efficient use of resources to direct federal law enforcement agencies to prosecute those lawfully abiding by state laws and regulations allowing the use and distribution of cannabis. However, in rescinding the Cole Memorandum, the Trump Administration has indicated the potential for stricter enforcement of the cannabis industry at the federal level, but to date there has been little in terms of action. There is no guarantee that the Trump Administration or future administrations will maintain the low-priority enforcement of federal laws in the cannabis industry that was adopted by the Obama Administration. The Trump Administration or any future administration could change this policy and decide to implement stricter enforcement of these federal laws. Any such change in the federal government's policy on enforcement of the CSA could have a material adverse effect on our business, financial condition and results of operations and cause significant financial damage to our business and our shareholders.

In addition, in December 2014, the Rohrabacher-Farr Amendment (also known as the Rohrabacher–Blumenauer Amendment, and more recently the Joyce Amendment) was passed, which prohibited the DOJ

from using its funding to prevent states, including California, from implementing their own laws that authorize the use, distribution, possession, or cultivation of medical marijuana. The Rohrabacher–Farr Amendment must be renewed annually as part of the spending bill. It was most recently renewed in December 2020, as the Joyce Amendment, and is effective through September 30, 2021. There is no guarantee that the Rohrabacher–Farr Amendment will continue to be renewed.

Although the Company believes its business activities and those of its subsidiaries are compliant with the laws and regulations of the states in which the Company and its subsidiaries operate or plan to operate, strict compliance with state and local laws with respect to cannabis neither absolves the Company of liability under United States federal law, nor provide a defense to any proceeding that may be brought against the Company under federal law. Any proceeding that may be brought against the Company could have a material adverse effect on the Company's business, financial condition and results of operations.

Federal law in the United States prohibits the use of cannabis for the purposes in which the Company plans to engage.

Under the CSA, cannabis is deemed to be a Schedule I drug that has no accepted medical use or benefit and a high potential for abuse. Therefore, a range of activities, including cultivation and the personal use of cannabis, is prohibited and remains a criminal offense under federal law in the United States. Unless and until the United States Congress amends the CSA with respect to cannabis, there is a risk that federal authorities may enforce current federal law. The risk of strict enforcement of the CSA in light of congressional activity, judicial holdings, and stated federal policy remains uncertain.

The current policy and regulations of the federal government and its agencies, including the DEA and the FDA , are that cannabis has no medical benefit and a range of activities including cultivation and use of cannabis for personal use is prohibited on the basis of federal law. Although 33 states and District of Columbia have passed legislation permitting the cultivation and dispensing of medical cannabis, these laws are, in many jurisdictions, subject to strict regulation and limitations and are still being developed. Active enforcement of the current federal regulatory position on cannabis on a regional or national basis may directly and adversely affect the ability of our Company to develop our business plan even though it is allowed by state regulation in the various states in which the Company intends to operate. Although research and development in the growing and processing of cannabis products for medicinal purposes and in seeking to obtain state permits for the cultivation and sale of cannabis products are not in violation of federal law, our business plan, even if conducted within the parameters of any state licenses or permits we obtain, will violate the CSA, as currently in effect. The Company's business activities, and the business activities of its subsidiaries, while believed to be compliant with applicable state and local laws in the United States, are currently illegal under United States federal law. If existing federal laws are enforced by the DOJ or the FDA, it is likely that our proposed business will be materially and adversely affected.

The potential re-classification of cannabis in the United States could create additional regulatory burdens on our operations and negatively affect our results of operations.

If cannabis is re-categorized as a Schedule II or lower controlled substance, the ability to conduct research on the medical benefits of cannabis would most likely be improved; however, rescheduling cannabis may materially alter enforcement policies across many federal agencies, primarily the FDA. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, cosmetics and other similar products, pursuant to its enforcement authority set forth in the United States *Federal Food Drug and Cosmetic Act* (the "**FDCA**"). The FDA's responsibilities include regulating the ingredients, as well as the marketing and labeling, of drugs sold in interstate commerce. Because cannabis is federally illegal to produce and sell, and because it has no federally recognized medical uses, the FDA has historically deferred enforcement related to cannabis to the DEA; however, the FDA has enforced the FDCA with

regard to hemp-derived products, especially CBD, sold outside of state-regulated cannabis businesses. If cannabis were to be rescheduled to a federally controlled, yet legal, substance, the FDA would likely play a more active regulatory role. In the event that cannabis becomes subject to FDA regulation, the pharmaceutical industry may directly compete with state-regulated cannabis businesses for market share, and the pharmaceutical industry may urge the DEA, the FDA, and others to enforce the CSA and FDCA against businesses that comply with state but not federal law. The potential for multi-agency enforcement could threaten or have a materially adverse effect on existing cannabis businesses whose operations are compliant with applicable state laws, including the Company.

Variations in state and local regulation, and enforcement in states that have legalized cannabis, that may restrict cannabis-related activities may negatively impact our business operations and potential for revenues and profits.

Individual state laws do not always conform to the federal standard in the United States, or to other states' laws regarding the cultivation and use of cannabis. Certain states have decriminalized cannabis to varying degrees, while others have created exemptions only for medical use of cannabis, and several have passed both decriminalization and medical use legislation. There are a number of variations in laws and regulations among the states that have legalized, decriminalized, or created medical cannabis exemptions across the United States. In most states, the cultivation of cannabis for personal use continues to be prohibited, except for those states that allow small-scale cultivation by an individual in possession of medical cannabis needing care. Active enforcement of state laws that prohibit personal cultivation of cannabis may indirectly and adversely affect our business and our potential for revenue and profits.

We may become subject to federal and state forfeiture laws which could negatively impact our business operations.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, seizure of assets, disgorgement of profits, cessation of business activities or divestiture. As an entity that conducts business in the cannabis industry, we are potentially subject to criminal and civil federal and state forfeiture laws that permit the government to seize the proceeds of criminal activity. Civil forfeiture laws could provide an alternative for the federal government or any state or local police force that wants to discourage residents from conducting transactions with cannabis related businesses but believes criminal liability is too difficult to prove beyond a reasonable doubt. An individual can also be required to forfeit property considered to be the proceeds of a crime even if the individual is not convicted of the crime, and the standard of proof in a civil forfeiture matter is lower than the standard in a criminal matter.

Investors located in states where cannabis remains illegal may be at risk of prosecution under federal and/or state conspiracy, aiding and abetting, and money laundering statutes, and be at further risk of losing their investments, proceeds and/or personal property under forfeiture statutes. Many states remain fully able to take action to prevent the proceeds of cannabis businesses from entering their state. Because state legalization in this area is relatively new, it remains to be seen whether these states would take such action and whether a court would approve such action. Investors and prospective investors of the Company should be aware of these potentially relevant federal and state laws in considering whether to invest in the Company.

Laws and regulations affecting the cannabis industry are constantly changing, which could detrimentally affect our planned operations.

Local, state and federal cannabis laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial compliance costs or alter our business plan. In addition, violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our operations. Additional regulations may be enacted in the future that may be directly applicable to certain aspects of the Company's cultivation, production and dispensary businesses and the Company's ability to sell cannabis. We cannot predict the nature of any future laws, regulations, interpretations or applications, especially in the United States, nor can we determine what effect additional governmental regulations or administrative policies and procedures, if and when promulgated, may have on our business.

The approach to enforcement of cannabis laws is subject to change, which creates uncertainty for our business.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis in the United States, investments in, and the operations of, cannabis businesses in the United States are subject to inconsistent laws and regulations. The Cole Memorandum and other cannabis policy guidance from the Obama Administration , provided the framework for managing the tension between federal and state cannabis laws. In January 2018, former Attorney General Jeff Sessions rescinded the Cole Memorandum and related policy guidance. Although no longer in effect, these policies, and the enforcement priorities established therein, appear to continue to be followed during the Trump administration and remain critical factors that inform the past and future trend of state-based legalization.

The Cole Memorandum directed United States Attorneys not to prioritize the enforcement of federal cannabis laws against individuals and businesses that comply with state medical or adult-use cannabis regulatory programs, provided certain enumerated enforcement priorities were not implicated (such as, among others, prevention of cannabis distribution to minors, prevention of diverting cannabis from states where it is legal under state law to states where it is not legal, and prevention of drugged driving and the exacerbation of other adverse public health consequences associated with cannabis use). In addition to general prosecutorial guidance issued by the DOJ, the United States Treasury Department's Financial Crimes Enforcement Network ("**FinCEN**") issued a FinCEN Memorandum in February 2014, outlining pathways for financial institutions to service state-sanctioned cannabis businesses in compliance with the Bank Secrecy Act, which echoed the enforcement priorities outlined in the Cole Memorandum. On the same day the FinCEN Memorandum was published, the DOJ issued complimentary policy guidance directing prosecutors to apply the enforcement priorities of the Cole Memorandum when determining whether to prosecute individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related activities.

In January 2018, former Attorney General Jeff Sessions rescinded the Cole Memorandum and the related DOJ cannabis enforcement guidance from the Obama administration. While the rescission did not change federal law, the rescission removed the DOJ's formal policy that state-regulated cannabis businesses in compliance with the guidelines set forth in the Cole Memorandum should not be a prosecutorial priority, adding to the uncertainty around federal enforcement of the CSA in states where cannabis is legalized and regulated. In addition to his rescission of the Cole Memorandum, former Attorney General Sessions issued a memorandum known as the "Sessions Memorandum." The Sessions Memorandum explains the DOJ's rationale for rescinding all past DOJ cannabis enforcement guidance, claiming such policies are "unnecessary" due to existing general enforcement guidance adopted in the 1980s in the United States Attorney's Manual (the "**USAM**"). The USAM enforcement priorities, like those of the Cole Memorandum, are based on the use of the federal government's limited resources and include law enforcement priorities

set by the Attorney General, consideration of the seriousness of the alleged crimes, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community. Although the Sessions Memorandum emphasizes that cannabis is a federally illegal Schedule I controlled substance, it does not otherwise instruct United States Attorneys to consider the prosecution of cannabis-related offenses a DOJ priority, and in practice, most United States Attorneys have not changed their prosecutorial approach to date. However, due to the lack of specific direction in the Sessions Memorandum as to the priority federal prosecutors should ascribe to such cannabis activities, and the lack of additional guidance since the resignation of former Attorney General Sessions, there can be no assurance that the United States federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with applicable state law.

The United States House of Representatives passed an amendment (currently known as the "Joyce Amendment," previously known as the Rohrabacher–Farr Amendment and Rohrabacher–Blumenauer Amendment) to the Commerce, Justice, Science, and Related Agencies Appropriations Bill, which funds the DOJ. Under the Joyce Amendment, the DOJ is prohibited from using federal funds to prevent states from implementing their own state laws that authorize the use, distribution, possession, or cultivation of medical marijuana. Notably, this amendment only prohibits the use of federal funds to prosecute individuals and businesses operating cannabis companies in compliance with state laws regulating the medical use of cannabis, and does not apply to recreational cannabis operations. The Joyce Amendment must be renewed each federal fiscal year. It was most recently renewed in December 2020 and is effective through September 30, 2021. There can be no assurance that the United States Congress will further renew the Joyce Amendment for the 2020 fiscal year. If the Joyce Amendment is not renewed in the future, the DOJ and other federal agencies in the United States may utilize federal funds to enforce the CSA in states with a medical cannabis program, including states in which the Company's subsidiaries operate, which could have a material adverse effect on the Company's expansion strategy, business, financial condition and results of operations.

Any potential enforcement proceedings could involve significant restrictions being imposed upon us or third parties, and could have a material adverse effect on our business, revenues, results of operations and financial condition, as well as our reputation and prospects, even if such proceedings are concluded in our favor. In the extreme case, such proceedings could ultimately involve the criminal prosecution of key executives of the Company, the seizure of corporate assets, and consequently, the inability of the Company to continue its business operations. Strict compliance with state and local laws with respect to cannabis does not absolve the Company of potential liability under federal law in the United States, nor provide a defense to any federal proceeding which may be brought against us. Any such proceedings may adversely affect our operations and financial performance.

Our business in the cannabis industry is subject to heightened scrutiny by regulatory authorities.

Our existing and future operations in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other regulatory authorities in Canada. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on our ability to operate or invest in the United States or any other jurisdiction, in addition to those described herein.

It has been reported by certain publications in Canada that the Canadian Depository for Securities Limited is considering a policy shift that would have its subsidiary, CDS Clearing and Depository Services Inc. ("**CDS**"), refuse to settle trades for cannabis issuers that have investments in the United States. CDS is Canada's central securities depository, clearing and settlement hub. If CDS were to proceed in the manner suggested by these publications, such action would have a material adverse effect on the ability of holders of our Common Shares to make trades in Canada, and our Common Shares would become illiquid in Canada

as investors would have no ability to effect a trade of our Common Shares through the facilities of a stock exchange.

In the United States, many clearing houses for major broker-dealer firms have refused to handle securities or settle transactions of companies engaged in the cannabis industry. This means certain broker-dealers cannot accept for deposit or settle transactions in the securities of companies like ours, which may inhibit the ability of investors to trade in our securities in the United States, and could negatively affect the liquidity of our securities in the United States as well.

In November 2017, TMX Group provided an update regarding Canadian issuers with cannabis-related activities in the United States, confirming that TMX Group will rely on the Canadian Securities Administrators' recommendation to defer to individual exchanges' rules for companies with cannabis-related business activities in the United States, and to determine the eligibility of individual issuers to list based on those exchanges' listing requirements. In February 2018, CDS signed a memorandum of understanding with Aequitas NEO Exchange Inc., CNSX Markets Inc., TSX Inc., and TSX Venture Exchange Inc., which outlines the parties' understanding of Canada's regulatory framework applicable to the rules and procedures and regulatory oversight of these exchanges and CDS. The memorandum of understanding confirms that CDS relies on these exchanges to review the conduct of listed issuers. As a result, there currently is no CDS ban on the clearing of securities of issuers with cannabis-related business activities in the United States.

Any future restrictions imposed by the CSE or other applicable exchange on the Company's business or securities would have a material adverse effect on the Company and on the ability of holders of the Company's securities to make trades in Canada.

We may not be able to obtain the permits and authorizations necessary to operate our planned medical and recreational cannabis businesses.

Cannabis remains an illegal drug under the federal laws of the United States as marijuana is listed as a Schedule I narcotic under the CSA. Cannabis has been legalized in Canada pursuant to the Access to Cannabis for Medical Purposes Regulations and the regulation of recreational cannabis under the Cannabis Act. Recreational and medicinal cannabis has been legalized in the State of California since January 1, 2018 pursuant to the passage of Proposition 64 and adoption of the Medicinal and Adult-Use Cannabis Regulation and Safety Act. In addition, numerous local governments have adopted ordinances and regulations legalizing cannabis in their jurisdictions. We will only be opening cannabis businesses in such jurisdictions within the State of California. Cannabis businesses cannot operate in California until they have obtained local and State authorization. The local authorization is a prerequisite to obtaining State licensure. That being said, we may not be able to obtain or maintain the necessary State and local licenses, permits, authorizations, registrations or accreditations (hereinafter collectively referred to as "State and Local Authorizations") to operate our planned medical and recreational cannabis businesses, or may only be able to do so at great cost. As cannabis remains illegal at the federal level in the United States under the CSA, we will not be able to comply fully with the various federal laws and regulations applicable to our businesses in the medical and recreational cannabis industries, though we will make every effort to comply with those laws and regulations that do not pertain specifically to cannabis . We will also be fully compliant with all local and State rules and regulations pertaining to operating a cannabis business in the jurisdictions where we obtain State and Local Authorizations. Failure to comply with or to obtain the State and Local Authorizations necessary to carry out our business plan, or any delay in obtaining the State and Local Authorizations , could result in restrictions on our ability to operate our planned businesses, which would have a material adverse effect on our business, financial condition and results of operations.

Our cannabis cultivation operations are subject to risks inherent in an agricultural business.

The business of Juva Cultivation involves the growing of cannabis, which is an agricultural product. As such, the Juva Cultivation business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and other agricultural risks that may create crop failures and supply interruptions. Although the majority of the Company's cultivators grow products indoors under climate-controlled conditions and carefully monitor the growing conditions with trained personnel, there can be no assurance that such agricultural risks will not have a material adverse effect on the production of the Company's products.

Our cannabis cultivation operations are vulnerable to rising energy costs and dependent upon key inputs.

Our cannabis cultivation operations consume considerable amounts of energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, the Company's business is dependent on a number of key inputs and their related costs, including raw materials and supplies related to the Company's growing operations, as well as electricity, water and other utilities. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier were to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company or its subsidiaries in the future. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs, or the Company's inability to secure required supplies and services or to do so on appropriate terms, could have a material adverse effect on the Company's business, financial condition and results of operations.

Many of our competitors have greater resources that may enable them to compete more effectively than us in the cannabis industry.

The industry in which we operate is subject to intense and increasing competition. Some of our competitors have a longer operating history and greater capital resources, facilities and product line diversity, which may enable them to compete more effectively in this market. Our competitors may devote their resources to developing and marketing products that will directly compete with our planned product lines. The Company expects to face additional competition from existing licensees and new market entrants who are granted licenses within a particular state in which the Company's subsidiaries operate, who are not yet active in the industry. If a significant number of new licenses are granted in the near term, the Company may experience increased competition for market share and may experience downward pricing pressure on the Company's products as new entrants increase production. Such competition may cause us to encounter difficulties in generating revenues and market share, and in positioning our products in the market. If we are unable to successfully compete with existing companies and new entrants to the market, our lack of competitive advantage will have a negative impact on our business and financial condition.

Certain tax risks and treatments could negatively impact our results of operations.

Section 280E of the Internal Revenue Code prohibits businesses from deducting certain expenses associated with trafficking of controlled substances (within the meaning of Schedule I and II of the CSA). The United States Internal Revenue Service (the "**IRS**") has invoked Section 280E in tax audits against cannabis businesses in the United States, prohibiting them from deducting expenses directly associated with the sale of cannabis. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope

of such items is interpreted very narrowly and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that the courts will issue an interpretation of Section 280E favorable to cannabis businesses. Section 280E has a significant impact on the retail cannabis business, but a lesser impact on cannabis cultivation and manufacturing operations. A result of Section 280E is that an otherwise profitable business may operate at a loss after taking into account its United States income tax expenses.

We may have difficulty accessing banking services in the United States, which may make it difficult for us to operate our businesses.

Because the use, sale, cultivation, manufacturing and distribution of cannabis are illegal under federal law in the United States, there is an argument that banks should not accept for deposit any funds from businesses involved with the cannabis industry. Consequently, such businesses often have difficulty finding a bank willing to accept their business.

Banks and other financial institutions providing services to companies with cannabis-related businesses risk violation of federal anti-money laundering statutes, the unlicensed money-remitter statute, and the United States Bank Secrecy Act. These statutes can impose criminal liability for engaging in certain financial and monetary transactions with the proceeds of a "specified unlawful activity," such as distributing controlled substances which are illegal under federal law (including cannabis), and for failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the CSA. As previously noted, in February 2014, FinCEN issued guidance with respect to financial institutions providing banking services to cannabis business. This guidance indicates that it is possible for financial institutions to provide financial services to state-licensed cannabis businesses in compliance with applicable federal anti-money laundering laws, but does not provide any safe harbors or legal defenses from examination or enforcement actions by the DOJ, FinCEN or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear to be comfortable providing banking services to cannabis-related businesses or relying on this guidance.

Notwithstanding the above federal guidelines and in addition to potential federal sanctions, regulators in the states in which we are able to conduct business may make it difficult for local banks to do business with companies considered to be engaged in cultivating and dispensing cannabis. Failure to establish a permanent banking relationship in the United States could have a material and adverse effect on our future business operations and our ability to conduct our business as planned.

We are subject to anti-money laundering laws and regulations which could impact our ability to obtain banking services or result in the forfeiture or seizure of our assets.

We are subject to a variety of laws and regulations in Canada and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the *United States Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, the Canada *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the Canada Criminal Code, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada. As discussed above, because the cultivation, manufacturing, distribution and sale of cannabis remains illegal under the CSA, banks and other financial institutions providing services to cannabis-related businesses risk violation of such statutes. Banks or other financial institutions that provide cannabis businesses with financial services, such as a checking account or credit card, in violation of the Bank Secrecy Act could be criminally prosecuted for willful violations of money laundering statutes, in addition to being subject to other criminal, civil, and regulatory enforcement actions. Banks often refuse to provide

banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions in the United States. The lack of readily available banking and financial services presents unique and significant challenges to businesses in the cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services.

Although the FinCEN Memorandum issued in February 2014 remains in effect today, it is unclear whether the current administration or future administrations will follow the guidelines of the FinCEN Memorandum in the United States. The DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state, and the DOJ's current enforcement priorities could change for any number of reasons. A change in the DOJ's enforcement priorities could result in the DOJ prosecuting banks and financial institutions for crimes that previously were not prosecuted. If we do not have access to banking and financial services in the United States, our business and operations could be adversely affected.

In the event that any of our operations, any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States are found to be in violation of federal anti-money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize our ability to declare or pay dividends or effect other distributions, and could subject us to civil and/or criminal penalties. Although we have no current intentions to declare or pay dividends on our Common Shares for the foreseeable future, in the event that a determination is made that our proceeds from operations could reasonably be shown to constitute proceeds of crime, we may decide or be required to suspend declaring or paying any dividends without advance notice and for an indefinite period of time.

United States border officers could deny entry into the United States to non-United States citizens who are employees of or investors in companies with cannabis operations in the United States or Canada.

As cannabis remains illegal under United States federal law, non-United States citizens who are employed by or investing in legal and licensed cannabis companies could face detention, denial of entry or lifetime bans from the United States for their business associations with United States or Canadian cannabis businesses. Entry happens at the sole discretion of the United States Customs and Border Protection (the "**USCBP**") officers on duty, and such officers have wide latitude to ask questions in determining the admissibility of a foreign national.

As a result, the Canadian government has started warning travelers on its website that previous use of cannabis, or any substance prohibited by United States federal laws, could mean denial of entry to the United States. In addition, business or financial involvement in the legal cannabis industry in Canada or in the United States could also be reason enough for USCBP officers to deny entry in the United States. In reaction to the then-impending legalization of cannabis in Canada, the USCBP released a statement outlining its current position with respect to enforcement of United States federal laws. The statement specified that Canada's legalization of cannabis would not change the USCBP's enforcement of United States federal laws regarding controlled substances and, because cannabis continues to be a controlled substance under the CSA, working in or facilitating the proliferation of the cannabis industry in states in the United States or Canada where cannabis is legal may affect admissibility to the United States.

Certain of the Company's directors, officers and employees are Canadian citizens, and may be subject to denials or bans from entry into the United States by USCBP officers due to their service or employment

with the Company. In the event that any such directors, officers or employees are hindered or otherwise prevented from entering the United States, either in one instance or permanently, their ability to provides services to the Company could be materially hindered, which could have a material adverse effect on the Company's business. In addition, the Company's ability to attract qualified candidates for positions with the Company may be diminished by the prospect of a denial or ban from entry into the United States, which could have a material adverse effect on the Company's business.

If we incur substantial liability from litigation, complaints, or enforcement actions, our financial condition could suffer.

Our participation in the medical and recreational cannabis industries may lead to litigation, formal or informal complaints, enforcement actions, and inquiries or investigations by various federal, state, or local governmental authorities against our Company and/or our subsidiaries. Any such litigation, complaints, enforcement actions or other proceedings could consume considerable amounts of financial and other corporate resources and divert our key executives' attention away from carrying out our business plan, which could have a material adverse impact on our business, financial condition, results of operations and growth prospects.

Our business is dependent on the popularity of consumer acceptance of cannabis.

The medical and recreational cannabis industries are highly dependent upon consumer perception regarding the safety, efficacy and quality of their products. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity could have a material adverse effect on the demand for medical and recreational cannabis products and on the Company's business, financial condition and results of operations. Such adverse publicity reports or other media attention could hinder market growth and state legalization due to inconsistent public opinion and perception of the medical and recreational cannabis industries.

We currently have insurance coverage; however, because we operate within the cannabis industry, there are additional difficulties and complexities associated with such insurance coverage.

We believe that the Company and its subsidiaries currently have insurance coverage with respect to workers' compensation, general liability, fire and other similar policies customarily obtained for businesses to the extent commercially appropriate; however, because we are engaged in and operate within the cannabis industry, there are exclusions and additional difficulties and complexities associated with such insurance coverage that could cause us to suffer uninsured losses, which could adversely affect our business, financial condition and results of operations. There is no assurance that we will be able to fully utilize such insurance coverage, if necessary.

We will be reliant on information technology systems and may be subject to damaging cyberattacks.

We have entered into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services in connection with our operations. Our operations depend, in part, on how well we and our suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Our operations also depend on the timely maintenance, upgrade and replacement of networks,

equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact our reputation and results of operations.

We have not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that we will not incur such losses in the future. Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The cannabis industry is highly regulated, and the Company may not always succeed in complying fully with applicable regulatory requirements in the jurisdictions where the Company seeks to operate.

Our cannabis-related business operations are subject to various laws, regulations and guidelines, both in the United States and Canada, relating to, among other things, the cultivation , manufacture, distribution, testing, marketing and sale of cannabis, as well as laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant various government agencies at the local, state and federal level, and self-regulatory bodies, broad administrative discretion over the Company's activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products.

Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements and our ability to obtain and maintain all necessary State and Local Authorizations for the Company's cultivation, distribution, manufacturing and retail cannabis businesses. The Company may not be able to obtain and maintain such State and Local Authorizations, or may be able to do so only at a significant expense. The commercial cannabis industry is still a new industry in Canada and is an emerging industry in the United States, and more specifically in California, where the Company will operate. The effect of relevant governmental authorities' administration, application and enforcement of their respective regulatory regimes and delays in obtaining, or the Company's failure to obtain, the necessary State and Local Authorizations to conduct the Company's business may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the Company's business, financial condition and results of operations.

While the Company endeavours to comply with all relevant laws, regulations and guidelines with respect to the Company's cannabis-related business and, to the Company's knowledge, the Company is in compliance or is in the process of being assessed for compliance with all such laws, regulations and guidelines, any failure to comply with the regulatory requirements applicable to the Company's operations may lead to possible sanctions. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increase compliance costs or give rise to material liabilities or a revocation of the Company's State and Local Authorizations, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Failure to comply with applicable laws and regulations could subject the Company to regulatory or agency proceedings, investigations or audits. The outcome of any such proceedings, investigations or audits could harm the Company's reputation and operations, and could require the Company to pay substantial amounts

of money, harming the Company's financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition and results of operations.

Public Health Crises, including COVID-19

A local, regional or national outbreak of a contagious disease, such as COVID-19, could have an adverse effect on local economies and potentially the global economy, which may adversely impact the price and demand for the Company's products. The outbreak has now spread to the United States and Canada where we conduct our principal business operations. The Company's employees may be unable to work due to quarantine, self-isolation, social distancing, restrictions on travel, restrictions on meetings and work from home requirements. The extent to which the COVID-19 pandemic impacts the Company's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. Moreover, the spread of the coronavirus globally is expected to have a material adverse effect on global and regional economies and to continue to negatively impact stock markets, including the trading price of the Company's shares. These adverse effects on the economy, the stock market and the Company's share price could adversely impact our ability to raise capital. Any of these developments, and others, could have a material adverse effect on our business and results of operations.

Risks Related to Drug Development and the Business of Juva Research

Our products may be subject to United States federal drug approval requirements and processes in the future.

At this time, the Company does not have plans to seek United States federal regulatory approval for the products to be developed by Juva Research, although we may do so in the future. The Company currently intends to develop and market products solely in the State of California under applicable state and local laws and regulations. The Company's planned activities do not currently involve interstate commerce, and therefore are not subject to FDA prior approval requirement . If any of our products and development activities become subject to federal drug approval processes and the Company decides to seek federal approval, we may need to comply with the drug research, approval and registration processes and requirements of the DEA and/or FDA for drugs developed and marketed on a national scale in the United States, which are described in the following risk factors under "Risks Related to Drug Development and the Business of Juva Research." There is no guarantee that we would be successful in obtaining such approvals and registrations.

The Company is in the process of applying for and obtaining licenses and permits in the localities in California in which it plans to operate, and will commence operations once the required state and local licenses and permits are obtained. Although the Company initially plans to research, develop and market products on an intrastate basis that meet state and local regulatory requirements in California, if the Company's business transitions into interstate commerce in the future, the Juva Research business may eventually involve development and sale of cannabis based products that will require FDA and/or DEA drug approval(s) and/or registration(s). In such case, the Company's activities related to research, development and marketing of its products, including dietary supplements, will be conducted in accordance with applicable federal and state law requirements. The Company will seek and obtain applicable premarketing authorizations or registrations from the FDA and/or DEA, as applicable, prior to marketing its products. Currently, the FDA appears to be exercising enforcement discretion and not taking enforcement action against those entities that comply with state and local regulations for medicinal

cannabis. However, the FDA could modify its position and take action against companies such as the Company in the future. The DEA has also been exercising enforcement discretion and not taking action against entities that comply with state and local laws; however, that position could change and the DEA could take adverse action against the Company.

We have limited experience in drug development and may not be able to successfully develop any drugs, which would cause us to cease operations.

The Company has not successfully developed a new drug and brought it to market. Our management and clinical teams have experience in drug development but they may not be able to successfully develop any drugs. Our ability to achieve revenues and profitability in our business will depend on, among other things, our ability to develop products internally or to obtain rights to them from others on favorable terms, complete laboratory testing and human investigations, obtain and maintain necessary intellectual property rights to our products, successfully complete regulatory review to obtain requisite governmental agency approvals, and, if necessary, enter into arrangements with third parties to manufacture our products and provide sales and marketing functions. If we are unable to achieve these objectives, we may be forced to cease operations, and you could lose all of your investment.

FDA regulation of cannabis and the possible registration of facilities where medical cannabis is grown could negatively affect the cannabis industry, which would directly affect our financial condition.

Should the federal government legalize cannabis for medical use, it is possible that the FDA would seek to regulate it under the FDCA. Additionally, the FDA may issue rules and regulations including current good manufacturing practices related to the growth, cultivation, harvesting and processing of medical cannabis. Clinical trials may be needed to verify efficacy and safety. It is also possible that the FDA would require that facilities where medical cannabis is grown be registered with the FDA and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, we do not know what additional regulatory costs, requirements and possible prohibitions may be enforced.

Our ability to research, develop and commercialize drug product candidates is dependent on our ability to obtain and maintain the necessary controlled substance registrations from the DEA.

In the United States, the DEA currently regulates activities relating to the cultivation, possession and supply of cannabis for medical research and/or commercial development, including the requirement to obtain annual registrations to manufacture or distribute pharmaceutical products derived from cannabis extracts. The National Institute on Drug Abuse also plays a role in oversight of the cultivation of cannabis for medicinal research. Accordingly, we may be required to obtain and maintain the necessary DEA registrations for our medical cannabis business, and may be subject to other regulatory requirements. Commercialization of synthetically derived products may also require that we obtain and maintain the necessary DEA registrations, and be subject to other regulatory requirements.

We will be largely dependent on the success of our planned products, which will require the effective execution of our business plan, significant capital resources and years of development effort.

We are very early in our development efforts, and currently have no products on the market. Our business plan depends almost entirely on the successful development, regulatory approval and commercialization of our planned products, and substantial development and regulatory approval efforts will be required before we are permitted to commence commercialization. The manufacturing and marketing of our products will be subject to extensive and rigorous review and regulation by numerous government authorities in the United States, Canada, and any other jurisdictions where we intend to market our products. Before obtaining regulatory approvals for the commercial sale of any product, we must demonstrate that the product is safe

and effective for use in each target indication, and potentially in specific patient populations. This process can take many years and may include post-marketing studies and surveillance, which would require the expenditure of substantial resources beyond our existing funds. Of the large number of drugs in development for approval in the United States, only a small percentage successfully complete the FDA regulatory approval process and are commercialized. Accordingly, even if we are able to obtain the requisite financing to continue to fund our research, development and clinical programs, we cannot assure you that any of our product candidates will be successfully developed or commercialized.

Development of pharmaceutical products is a time-consuming process, subject to a number of factors, many of which are outside of our control. Consequently, if we are unsuccessful or fail to timely develop new drugs, we could be forced to discontinue our operations.

Complex development and extensive testing will be required to determine the technical feasibility and commercial viability of the Company's proposed drug product(s). Our success will depend on our ability to achieve scientific and technological advances and to translate such advances into reliable, commercially competitive drugs on a timely basis. Drugs that we may develop are not likely to be commercially available, at a minimum, for a few years, if ever. The proposed development schedules for our product candidates may be affected by a variety of factors, including technological difficulties, proprietary technology of others, and changes in government regulation, many of which will not be within our control. Any delay in the development, introduction or marketing of our product candidates could result either in such drugs being marketed at a time when their cost and performance characteristics would not be competitive in the marketplace or in the shortening of their commercial lives. In light of the long-term nature of our projects and other risk factors described elsewhere in this document, we may not be able to successfully complete the development or marketing of any drugs which could cause us to cease operations.

We may fail to successfully develop and commercialize our product candidate(s) if any such product candidate is found to be unsafe or ineffective in clinical trials, does not receive necessary approval from the FDA or foreign regulatory agencies, fails to conform to a changing standard of care for the disease it seeks to treat, or is less effective or more expensive than current or alternative treatment methods.

Drug development failure can occur at any stage of clinical investigations and as a result of many factors, there can be no assurance that we or our collaborators will reach our anticipated clinical targets. Even if we or our collaborators complete our clinical investigations, we do not know what the long-term effects of exposure to our product candidates will be. Furthermore, our product candidates may be used in combination with other treatments and there can be no assurance that such use will not lead to unique safety issues. Failure to complete clinical investigations or to prove that our product candidates are safe and effective would have a material adverse effect on our ability to generate revenue and could require us to reduce the scope of or discontinue our operations, which could cause you to lose all of your investment.

If the FDA or comparable foreign regulatory authorities approve generic versions of any of our products that receive marketing approval, or such authorities do not grant our products appropriate periods of exclusivity before approving generic versions of our products, the sales of our products could be adversely affected.

Once an NDA is approved by the FDA, the product covered thereby becomes a "reference listed drug" in the FDA's publication, "Approved Drug Products with Therapeutic Equivalence Evaluations," commonly known as the Orange Book. Manufacturers may seek approval of generic versions of reference listed drugs through submission of abbreviated new drug applications ("**ANDAs**") in the United States. In support of an ANDA, a generic manufacturer need not conduct clinical trials. Rather, the applicant generally must show that its product has the same active ingredient(s), dosage form, strength, route of administration and conditions of use or labeling as the reference listed drug and that the generic version is bioequivalent to the

reference listed drug, meaning it is absorbed in the body at the same rate and to the same extent. Generic products may be significantly less costly to bring to market than the reference listed drug and companies that produce generic products are generally able to offer them at lower prices. Thus, following the introduction of a generic drug, a significant percentage of the sales of any branded product or reference listed drug is typically lost to the generic product.

The FDA may not approve an ANDA for a generic product until any applicable period of non-patent exclusivity for the reference listed drug has expired. The FDCA provides a period of five years of non-patent exclusivity for a new drug containing a new chemical entity ("**NCE**"). Specifically, in cases where such exclusivity has been granted, an ANDA may not be submitted to the FDA until the expiration of five years unless the submission is accompanied by a Paragraph IV certification that a patent covering the reference listed drug is either invalid or will not be infringed by the generic product, in which case the applicant may submit its application four years following approval of the reference listed drug.

As we develop drug products, the Company intends to ensure that the formulation would contain active ingredients that would be treated as NCEs by the FDA and, therefore, if approved, should be afforded five years of data exclusivity, although the FDA may disagree with that conclusion and may approve generic products after a period that is less than five years. If the FDA were to award NCE exclusivity to someone other than us, we believe that we would still be awarded three year "Other" exclusivity protection from generic competition, which is awarded when an application or supplement contains reports of new clinical investigations (not bioavailability studies) conducted or sponsored by an applicant and essential for approval. Manufacturers may seek to launch these generic products following the expiration of the applicable marketing exclusivity period, even if we still have patent protection for our product. If we do not maintain patent protection and data exclusivity for our product candidates, our business may be materially harmed.

Competition that our products may face from generic versions of our products could materially and adversely impact our future revenue, profitability and cash flows and substantially limit our ability to obtain a return on the investments we have made in those product candidates.

Even if we were to successfully develop approvable drugs, we will not be able to sell these drugs if we fail to comply with manufacturing regulations, which could have a materially adverse effect on our business.

If we were to successfully develop approvable drugs, before we can begin selling these drugs, we must obtain regulatory approval of our manufacturing facility and process or the manufacturing facility and process of the third party or parties with whom we may outsource our manufacturing activities. In addition, the manufacture of our products must comply with the FDA's current Good Manufacturing Practices regulations, commonly known as GMP regulations. The GMP regulations govern quality control and documentation policies and procedures. Our manufacturing facilities, and the manufacturing facilities of any third-party manufacturers we engage, will be continually subject to inspection by the FDA and other state, local and foreign regulatory authorities, before and after product approval. We cannot guarantee that we, or any potential third-party manufacturer of our products, will be able to comply with the GMP regulations or other applicable manufacturing regulations. The failure to comply with all necessary regulations would have a materially adverse effect on our business and could force us to cease operations.

We must comply with significant and complex government regulations, compliance with which may delay or prevent the commercialization of our product candidates, which could have a materially adverse effect on our business.

The research and development, manufacture and marketing of product candidates for pharmaceutical drugs and biological products are subject to regulation, primarily by the FDA in the United States and by comparable authorities in other countries. These national agencies and other federal, state, local and foreign entities regulate, among other things, research and development activities (including testing in animals and in humans) and the testing, manufacturing, handling, labeling, storage, record keeping, approval, advertising and promotion of the product that we are developing. Noncompliance with applicable requirements can result in various adverse consequences, including approval delays or refusals to approve drug licenses or other applications, suspension or termination of clinical investigations, revocation of approvals previously granted, fines, criminal prosecution, recalls or seizures of products, injunctions against shipping drugs and total or partial suspension of production and/or refusal to allow a company to enter into governmental supply contracts.

The process of obtaining FDA approval has historically been costly and time consuming. Current FDA requirements for a new human drug or biological product to be marketed in the United States include: (a) the successful conclusion of pre-clinical laboratory and animal tests, if appropriate, to gain preliminary information on the product's safety; (b) filing with the FDA of an IND application to conduct human clinical trials for drugs or biologics; (c) the successful completion of adequate and well-controlled human clinical investigations to establish the safety and efficacy of the product for its recommended use; and (d) filing by a company and acceptance and approval by the FDA of a NDA for a drug product or a biological license application for a biological product to allow commercial distribution of the drug or biologic. A delay in one or more of the procedural steps outlined above could be harmful to us in terms of getting our product candidates through clinical testing and to market, which could have a materially adverse effect on our business.

The FDA reviews the results of the clinical trials and may order the temporary or permanent discontinuation of clinical trials at any time if it believes the product candidate exposes clinical subjects to an unacceptable health risk. Investigational drugs used in clinical studies must be produced in compliance with current GMP rules pursuant to FDA regulations.

If we experience delays or discontinuations of our clinical trials by the FDA or comparable authorities in other countries, or if we fail to obtain registration or other approvals of our products or devices, then we could be forced to cease our operations and you could lose all of your investment.

Even if we are successful in developing drug product(s), we have limited experience in conducting or supervising clinical trials that must be performed to obtain data to submit in concert with applications for approval by the FDA. The regulatory process to obtain approval for drugs for commercial sale involves numerous steps. Drugs are subjected to clinical trials that allow development of case studies to examine safety, efficacy, and other issues to ensure that sale of drugs meets the requirements set forth by various governmental agencies, including the FDA. In the event that our protocols do not meet standards set forth by the FDA, or that our data is not sufficient to allow such trials to validate our drugs in the face of such examination, we might not be able to meet the requirements that allow our drugs to be approved for sale which could have a materially adverse effect on our business.

We can provide no assurance that any future product candidates will obtain regulatory approval or that the results of any clinical trials will be favorable.

The research and development plan for any product candidate will require completion of the Phases 1 and 2 clinical development program, commencement of a pivotal Phase 3 trial required for new drug approval, and other key milestones such as additional patent issuances and United States Orphan Drug designations. Due to our financial constraints, we may not have the resources necessary to complete our application. If the results of any initial Phases 1 and 2a clinical trials are satisfactory to the FDA, we may proceed to larger Phase 2b clinical trials in the United States. There is no guarantee the FDA will approve a Phase 2b trial, and even if they do, our financial constraints may prevent us from undertaking clinical trials.

The biopharmaceutical industry is characterized by rapid technological developments and a high degree of competition. We may be unable to compete with enterprises equipped with more substantial resources than us, which could cause us to curtail or cease operations.

The successful development of biopharmaceuticals is highly uncertain. A variety of factors, including pre-clinical investigation results or regulatory approvals, could cause us to abandon the development of our product candidates.

The biopharmaceutical industry is characterized by rapid technological developments and a high degree of competition based primarily on scientific and technological factors. These factors include the availability of patent and other protection for technology and products, the ability to commercialize technological developments and the ability to obtain government approval for testing, manufacturing and marketing.

We will compete with biopharmaceutical firms in the United States and elsewhere, as well as a growing number of large pharmaceutical companies that are applying biotechnology to their operations. Many biopharmaceutical companies have focused their development efforts in the human therapeutics area. Many major pharmaceutical companies have developed or acquired internal biotechnology capabilities or made commercial arrangements with other biopharmaceutical companies. These companies, as well as academic institutions, government agencies and private research organizations, also compete with us in recruiting and retaining highly qualified scientific personnel and consultants. Our ability to compete successfully with other companies in the pharmaceutical field will also depend to a considerable degree on the continuing availability of capital to us.

The Company faces significant competitive and market risk. These competitive and market risks could have a material adverse effect on our business, prospects, financial condition and results of operations, which may cause you to lose all of your investment.

Our competition will be determined in part by the potential indications for which drugs are developed and ultimately approved by regulatory authorities. Additionally, the timing of the market introduction of some of our potential product candidates or of competitors' products may be an important competitive factor. Accordingly, the relative speed with which we can develop drugs, complete pre-clinical testing, clinical investigations, approval processes and supply commercial quantities to market are important competitive factors. We expect that competition among drugs approved for sale will be based on various factors, including product efficacy, safety, reliability, availability, price and patent protection.

Successful development of biopharmaceuticals is highly uncertain and is dependent on numerous factors, many of which are beyond our control.

Products that appear promising in the early phases of development may fail to reach the market for several reasons. Pre-clinical investigation results may show the product to be less effective than desired (e.g., the

investigation failed to meet its primary objectives) or to have harmful or problematic side effects. Products may fail to receive the necessary regulatory approvals or may be delayed in receiving such approvals. Among other things, such delays may be caused by slow enrollment in clinical investigations, length of time to achieve investigation endpoints, additional time requirements for data analysis or a IND and later NDA, preparation, discussions with the FDA, an FDA request for additional pre-clinical or clinical data or unexpected safety or manufacturing issues, manufacturing costs, pricing or reimbursement issues, or other factors that make the product not economical. Proprietary rights of others and their competing products and technologies may also prevent the product from being commercialized.

Success in pre-clinical and early clinical investigations does not ensure that large-scale investigations will be successful. Clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. The length of time necessary to complete clinical investigations and to submit an application for marketing approval for a final decision by a regulatory authority varies significantly from one product to the next, and may be difficult to predict. There can be no assurance that any of our products will develop successfully, and the failure to develop our products will have a materially adverse effect on our business, financial condition and results of operations.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could subject us to significant liability and harm our reputation.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with DEA or FDA regulations or similar regulations of other foreign regulatory authorities or state regulatory authorities, or failure to provide accurate information to regulatory authorities. In addition, misconduct by employees could include intentional failures to comply with certain manufacturing standards, to comply with United States federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities, to report financial information or data accurately or to disclose unauthorized activities to us. Employee misconduct could also involve the improper use of information obtained in the course of clinical investigations, which could result in regulatory sanctions and serious harm to our reputation. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions.

If we are unable to develop sales, marketing and distribution capabilities or enter into agreements with third parties to perform these functions on acceptable terms, we may be unable to generate revenue.

If any of our product candidates is approved, we will need to develop internal sales, marketing and distribution capabilities to commercialize such products, which would be expensive and time-consuming, or enter into collaborations with third parties to perform these services. If we decide to market our products directly, we will need to commit significant financial and managerial resources to develop a marketing and sales force with technical expertise and supporting distribution, administration and compliance capabilities. If we rely on third parties with such capabilities to market our products or decide to co-promote products with collaborators, we will need to establish and maintain marketing and distribution arrangements with third parties, and there can be no assurance that we will be able to enter into such arrangements on acceptable terms, or at all. In entering into third-party marketing or distribution arrangements, any revenue we receive will depend upon the efforts of the third parties and there can be no assurance that such third parties will establish adequate sales and distribution capabilities or be successful in gaining market acceptance of any approved product. If we are not successful in commercializing any product approved in

the future, either on our own or through third parties, our business, financial condition and results of operations could be materially and adversely affected.

Product liability lawsuits against us could cause us to incur substantial liabilities.

Our use of our product candidates in clinical investigations and the sale of our products, if approved, exposes us to the risk of product liability claims. Product liability claims might be brought against us by patients, customers, healthcare providers or others selling or otherwise coming into contact with our products. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, including as a result of interactions with alcohol or other drugs, negligence, strict liability, and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we become subject to product liability claims and cannot successfully defend ourselves against them, we could incur substantial liabilities. In addition, regardless of merit or eventual outcome, product liability claims may result in, among other things:

- withdrawal of patients from our expected clinical investigations;
- substantial monetary awards to claimants;
- decreased demand for our product candidates following marketing approval, if obtained;
- damage to our reputation and exposure to adverse publicity;
- increased FDA warnings on product labels;
- litigation costs;
- distraction of management's attention from our primary business;
- loss of revenue; and
- the inability to successfully commercialize our product candidates, if approved.

We may be subject to product recalls for product defects that are self-imposed or imposed by regulators.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although we will have detailed procedures in place for testing our products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A recall for any of the foregoing reasons could lead to decreased demand for our products and could have a material adverse effect on the results of operations and our financial condition. Additionally, product recalls may lead to increased scrutiny of our operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

We expect to face intense competition, often from companies with greater resources and experience than we have.

The cannabis industry and the biopharmaceutical industry are highly competitive and subject to rapid change. These industries continue to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of our competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and

experience than we have. Some of these competitors and potential competitors have more experience than we have in the development of products and product candidates, including validation procedures and regulatory matters. In addition, our products, if successfully developed, will compete with product offerings from large and well-established companies that have greater marketing and sales experience and capabilities than we have. If we are unable to compete successfully, we may be unable to grow and sustain our revenue.

Risks Related to the Company

Our limited operating history makes it difficult for potential investors to evaluate our business prospects and management.

We have a very limited operating history upon which to base an evaluation of our business and prospects. Our short operating history may hinder our ability to successfully meet our objectives and makes it difficult for potential investors to evaluate our business or prospective operations. We have not generated any revenues since inception and we are not currently profitable and may never become profitable.

Operating results for future periods are subject to numerous uncertainties, and we cannot assure you that the Company will achieve or sustain profitability. As an early stage company, we are subject to all the risks inherent in the financing, expenditures, operations, complications and delays inherent in a new business. Future operating results will depend upon many factors, including our success in attracting and retaining motivated and qualified personnel, our ability to establish short term credit lines or obtain financing from other sources, such as the contemplated Offering, our ability to develop and market new products, control costs, and general economic conditions. Additionally, our ability to become profitable will depend upon: our ability to develop cannabis based products, to obtain approval for such products , and if approved, to successfully commercialize our products; our research and development efforts, including the timing and cost of clinical investigations; and our ability to enter into favorable alliances with third-parties who can provide substantial capabilities in clinical development, regulatory affairs, sales, marketing and distribution. Even if we successfully develop and market our cannabis based product(s), we may not generate sufficient or sustainable revenue to achieve or sustain profitability, which could cause us to cease operations and cause you to lose all of your investment.

The Company's prospects must be considered in light of the risks encountered by companies in the early stage of development, particularly companies in new and rapidly evolving markets. We cannot assure you that the Company will successfully address any of these risks. There can be no assurance that our efforts will be successful or that we will ultimately be able to attain profitability.

We need substantial additional funding to continue our operations. We may not be able to raise capital when needed, if at all, which would force us to delay, reduce or eliminate our product development programs or commercialization efforts and could cause our business to fail.

We require additional capital for the development of our business operations and commercialization of our planned products and product candidates. We may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may increase our capital needs and/or cause us to spend our cash resources faster than we expect. Accordingly, we will need to obtain substantial additional funding in order to continue our operations. The uncertainties surrounding our ability to fund our operations raise substantial doubt about our ability to continue as a going concern.

To date, we have financed our operations entirely through investments by founders and other investors. We may seek additional funds through public or private equity or debt financing, via strategic transactions or collaborative arrangements. Additional funding from those or other sources may not be available when or in the amounts needed, on acceptable terms, or at all. If we raise capital through the sale of equity, or

securities convertible into equity, it would result in dilution to our existing shareholders, which could be significant depending on the price at which we may be able to sell our securities. If we raise additional capital through the incurrence of indebtedness, we would likely become subject to covenants restricting our business activities, and holders of debt instruments may have rights and privileges senior to those of our equity investors. In addition, servicing the interest and principal repayment obligations under debt facilities could divert funds that would otherwise be available to support research and development, clinical or commercialization activities. If we obtain capital through collaborative arrangements, these arrangements could require us to relinquish rights to our technology or product candidates and could result in our receipt of only a portion of the revenues associated with the partnered product.

There are no assurances that future funding will be available on favorable terms, or at all. If additional funding is not obtained, we may need to reduce, defer or cancel research and development efforts, preclinical and lab work, planned clinical investigations, our cultivation operations, or overhead expenditures to the extent necessary. The failure to fund our operating and capital requirements could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts. Any of these events could significantly harm our business, financial condition and prospects.

Failure to successfully integrate acquired businesses and their products and other assets into the Company, or if integrated, failure to further our business strategy, may result in our inability to realize any benefit from such acquisition.

We expect to grow by acquiring relevant businesses, including licensed cannabis businesses. The consummation and integration of any acquired business, product or other assets into our Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, we may not achieve the anticipated benefits, cost-savings or growth opportunities. Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further our business strategy as anticipated, expose the Company to increased competition or other challenges with respect to our products or geographic markets, and expose us to additional liabilities associated with an acquired business, technology or other asset or arrangement.

When we acquire cannabis businesses, we may obtain the rights to applications for licenses as well as licenses; however, the procurement of such applications for licenses and licenses generally will be subject to governmental and regulatory approval. There are no guarantees that we will successfully consummate such acquisitions, and even if we consummate such acquisitions, the procurement of applications for licenses may never result in the grant of a license by any state or local governmental or regulatory agency, and the transfer of any rights to licenses may not be approved by the applicable state and/or local governmental or regulatory agency.

Negative Cash Flow from Operations

During the fiscal years ended December 31, 2020 and 2019, the Company had negative cash flow from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, the Company may require additional funding to be used to fund such negative cash flow from operating activities, if any.

Any inability to attract and retain qualified key management and technical personnel would impair our ability to implement our business plan.

Our success largely depends on the continued service of key management and other specialized personnel. The loss of one or more members of our management team or other key employees or consultants could materially harm our business, financial condition, results of operations and prospects. Because our management team is not obligated to provide us with continued service, they could terminate their employment or services with us at any time without penalty, subject to providing any required advance notice. Our future success and growth will depend in large part on our continued ability to attract and retain other highly qualified scientific, technical and management personnel and consultants, as well as personnel and consultants with expertise in clinical testing, manufacturing, governmental regulation and commercialization. We face competition for personnel and consultants from other companies, universities, public and private research institutions, government entities and other organizations.

We will need to grow the size of our organization, and we may experience difficulties in managing any growth we may achieve.

As of the date of this AIF, we have 24 full-time employees. As our development and commercialization plans and strategies develop, we expect to need additional research, development, managerial, operational, sales, marketing, financial, accounting, legal and other resources. Future growth would impose significant added responsibilities on members of management. Our management may not be able to accommodate those added responsibilities, and our failure to do so could prevent us from effectively managing future growth and successfully growing the Company.

We expect to incur significant ongoing costs and obligations related to our investment in infrastructure, growth, regulatory compliance and operations.

We expect to incur significant ongoing costs and obligations related to our investment in infrastructure and growth and regulatory compliance, which could have a material adverse impact on our results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on our business, results of operations and financial condition. Our efforts to grow our business may be costlier than we expect, and we may not be able to generate sufficient revenue to offset such higher operating expenses. We may incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications and delays, and other unknown events.

If we are unable to protect our intellectual property rights, our competitive position could be harmed.

Our commercial success will depend in part on our ability to obtain and maintain intellectual property protection in the United States and Canada with respect to our proprietary technology and products. Our ability to successfully implement our business plan depends on our ability to build and maintain brand recognition using trademarks, service marks, trade dress and other intellectual property. We may rely on trade secret, trademark, patent and copyright laws, and confidentiality and other agreements with employees and third parties, all of which offer only limited protection. The steps we have taken and the steps we will take to protect our proprietary rights may not be adequate to preclude misappropriation of our proprietary information or infringement of our intellectual property rights. If our efforts to protect our intellectual property are unsuccessful or inadequate, or if any third party misappropriates or infringes on our intellectual property, the value of our brands may be harmed, which could have a material adverse effect on the Company's business and prevent our brands from achieving or maintaining market acceptance.

If we are unable to obtain and maintain patent protection for our technology and products, or if the scope of the patent protection obtained is not sufficient, our competitors could develop and commercialize technology and products similar or superior to ours, and our ability to successfully commercialize our technology and products may be adversely affected. It is also possible that we will fail to identify patentable aspects of inventions made in the course of our development and commercialization activities before it is too late to obtain patent protection on them.

Protecting against the unauthorized use of our trademarks, patented technology and other intellectual property rights is expensive, difficult and may in some cases not be possible. In some cases, it may be difficult or impossible to detect third-party infringement or misappropriation of our intellectual property rights, and proving any such infringement may be even more difficult.

We may become subject to claims by third parties asserting that we or our employees have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Our commercial success depends upon our ability to develop, manufacture, market and sell our products, and to use our related proprietary technologies without violating the intellectual property rights of others. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products. Third parties may assert infringement claims against us, and if we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue commercializing our products. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Under certain circumstances, we could be forced, including by court order, to cease commercializing the applicable product. In addition, in any such proceeding or litigation, we could be found liable for monetary damages. A finding of infringement could prevent us from commercializing our products or force us to cease some of our business operations, which could materially harm our business. Any claims by third parties that we have misappropriated their confidential information or trade secrets could have a similar negative impact on our business. We attempt to ensure that our products and the methods we employ to manufacture them, as well as the methods for their uses we intend to promote, do not infringe other parties' proprietary rights. There can be no assurance they do not, however, and competitors or other parties may assert that we infringe their proprietary rights in any event.

Our financial situation creates doubt whether we will continue as a going concern.

We have not generated revenues since inception, and we expect to incur a net loss for the fiscal year ending December 31, 2020 and thereafter, primarily as a result of increased operating expenses. There can be no assurances that we will be able to achieve a level of revenues adequate to generate sufficient cash flow from operation or additional financing through private placements, public offerings and/or bank financing necessary to support our working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on acceptable terms. These conditions raise substantial doubt about our ability to continue as a going concern. If adequate working capital is not available, we may be forced to discontinue operations, which would cause investors to lose their entire investment. Our auditors have indicated that these conditions raise substantial doubt about the Company's ability to continue as a going concern.

We will need but may be unable to obtain additional funding on satisfactory terms, which could dilute our shareholders or impose burdensome financial restrictions on our business.

In the future, we hope to rely on revenues generated from operations to fund all of the cash requirements of our activities. However, there can be no assurance that we will be able to generate any significant cash from our operating activities in the future. Future financings may not be available on a timely basis, in sufficient amounts or on terms acceptable to us, if at all. Any debt financing or other financing of securities senior to the Common Shares will likely include financial and other covenants that will restrict our flexibility. Any failure to comply with these covenants would have a material adverse effect on our business, prospects, financial condition and results of operations because we could lose our existing sources of funding and impair our ability to secure new sources of funding. There can be no assurance that the Company will be able to generate any investor interest in its securities. If we do not obtain additional financing, our business may never commence, in which case you would likely lose the entirety of your investment in the Company.

We will incur increased costs as a result of our public reporting obligations, and our management team will be required to devote substantial time to new compliance initiatives.

We are subject to the reporting requirements under Regulation A and, in accordance with Regulation A, will file periodic reports, current reports, exit reports (if and when applicable), and other information with the SEC. These periodic reports, current reports, exit reports (if and when applicable) and other information will be available for inspection and copying at the SEC's public reference facilities and on the SEC's website at www.sec.gov. Particularly after we are no longer an "*emerging growth company*," we will continue to incur significant legal, accounting and other expenses that we have not incurred as a private company. Our management and other personnel would need to devote a substantial amount of time to comply with our reporting obligations. Moreover, these reporting obligations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

Failure to develop our internal controls over financial reporting as we grow could have an adverse impact on us.

As the Company matures we will need to continue to develop and improve our current internal control systems and procedures to manage our growth. We are required to establish and maintain appropriate internal controls over financial reporting. Failure to establish appropriate controls, or any failure of those controls once established, could adversely impact our public disclosures regarding our business, financial condition or results of operations. In addition, management's assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting, disclosure of management's assessment of our internal controls over financial reporting or disclosure of our public accounting firm's attestation to or report on management's assessment of our internal controls over financial reporting may have an adverse impact on the price of our Common Shares.

We will need to raise additional funding, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

Raising funds in the current economic environment may present additional challenges. It is not certain that we have accounted for all costs and expenses of future development and regulatory compliance. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our products. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our shareholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities may dilute our existing shareholders. The incurrence of indebtedness would result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any product, or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

Risks Related to Our Securities

We engage in transactions with related parties and such transactions present possible conflicts of interest that could have an adverse effect on us.

We have entered into transactions with related parties. The details of certain of these transactions are set forth in "Interests of Management and Others in Material Transactions."

Related party transactions create the possibility of conflicts of interest with regard to our management, including that:

- we may enter into contracts between us, on the one hand, and related parties, on the other, that are not the result of arm's-length transactions;
- our executive officers and directors that hold positions of responsibility with related parties may be aware of certain business opportunities that are appropriate for presentation to us as well as to such other related parties and may present such business opportunities to such other parties; and
- our executive officers and directors that hold positions of responsibility with related parties may have significant duties with, and spend significant time serving, other entities and may have conflicts of interest in allocating time.

Such conflicts could cause an individual in our management to seek to advance his or her economic interests or the economic interests of certain related parties above ours. Further, the appearance of conflicts of interest created by related party transactions could impair the confidence of our investors. Notwithstanding this, it is possible that a conflict of interest could have a material adverse effect on our liquidity, results of operations and financial condition.

Our executive officers and directors and their respective affiliates exercise significant control over the Company, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

Our executive officers and directors currently represent beneficial ownership, in the aggregate, of approximately 40.75% of our outstanding Common Shares. As a result, these shareholders may be able to influence our management and affairs and control the outcome of matters submitted to our shareholders for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of our assets. These shareholders may have interests, with respect to their Common Shares, that are different from those of other investors in the Company, and the concentration of voting power among one or more of these shareholders may have an adverse effect on the price of our Common Shares. In addition, this concentration of ownership might adversely affect the market price of our Common Shares by:

- delaying, deferring or preventing a change of control of the Company;
- impeding a merger, consolidation, takeover or other business combination involving the Company; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

We may lose our status as a foreign private issuer in the United States, which would result in increased costs related to regulatory compliance under United States securities laws.

The Company will cease to qualify as a "foreign private issuer," as defined in Rule 405 under the U.S. Securities Act and Rule 3b-4 under the *United States Securities Exchange Act of 1934*, as amended (the "**Exchange Act**"), if, as of the last business day of our second fiscal quarter, more than 50 percent of our outstanding Common Shares are directly or indirectly owned by residents of the United States. If we determine that we fail to qualify as a foreign private issuer, the Company will cease to be eligible to avail itself of the forms and rules designated for foreign private issuers beginning on the first day of the fiscal year following such determination. Among other things, this will result in loss of the exemption from registration under the Exchange Act provided by Rule 12g3-2(b) thereunder, and, if the Company is required to register our Common Shares under section 12(g) of the Exchange Act, we will have to do so as a domestic issuer. Further, any securities that we issue in unregistered or unqualified offerings both within and outside the United States will be "restricted securities" (as defined in Rule 144(a)(3) under the U.S. Securities Act), and will continue to be subject to United States resale restrictions notwithstanding their resale in "offshore transactions" pursuant to Regulation S under the U.S. Securities Act. As a practical matter, this will likely require us to register more offerings of our securities under the U.S. Securities Act on either a primary offering or resale basis, even if they take place entirely outside the United States. The resulting legal and administrative costs of complying with the resulting regulatory requirements are

anticipated to be substantial, and to subject the Company to additional exposure to liability for which we may not be able to obtain insurance coverage on favorable terms or at all.

If our stock price fluctuates, you could lose a significant part of your investment.

The market price of our Common Shares could be subject to wide fluctuations in response to, among other things, the risk factors described in this section of the AIF, and other factors beyond our control, such as fluctuations in the valuation of companies perceived by investors to be comparable to us. Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions, such as recessions, interest rate changes or international currency fluctuations, may negatively affect the market price of our Common Shares. In the past, many companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

DIVIDENDS AND DISTRIBUTIONS

The Company has not declared or paid any dividends or distributions on its Common Shares since inception. The Company currently intends to retain future earnings, if any, for use in its business and does not anticipate paying dividends or distributions in the foreseeable future on its Common Shares. Any determination to pay future dividends or distributions will remain at the discretion of the Board of Directors and will depend on the earnings, financial condition of the Company and such other factors deemed relevant by the Board of Directors.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares of which 154,218,009 Common Shares are issued and outstanding as of the date hereof.

Voting Rights

The Company is authorized to issue an unlimited number of Common Shares. Holders of Common Shares are entitled to receive notice of any meetings of Shareholders, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro-rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

MARKET FOR SECURITIES

Trading Price and Volume

On November 17, 2020, the Common Shares commenced trading on the CSE under the trading symbol "JUVA". The table below summarizes the range and volume of trading prices for each of the months stated:

	Trading Price ($)		
	High	**Low**	**Volume**
November 17 – 30, 2020	0.93	0.89	2,890,000
December 2020	1.23	0.80	7,220,000
January 2021	2.29	1.26	23,770,000
February 2021	2.07	1.60	13,490,000
March, 2021	1.68	0.85	12,170,000
April, 2021	1.18	0.86	4,160,000
May 3 - 13, 2021	0.87	0.485	4,338,126

Prior Sales

During the year ended December 31, 2020, the Company issued the following Common Shares and the following securities convertible into Common Shares:

Common Shares

Date of Issuance	Issuance of Common Shares Upon:	Number of securities issued	Issue/exercise price per security
June 5, 2020	Offering of units	5,975,910	$0.50
November 20, 2020	Exercise of warrants	481,944	$0.05
November 30, 2020	Exercise of warrants	943,750	CAD$0.05
November 30, 2020	Exercise of warrants	2,614,212	CAD$0.05
December 7, 2020	Exercise of warrants	1,494,685	CAD$0.60
December 11, 2020	Exercise of warrants	1,742,214	CAD$0.60
December 18, 2020	Exercise of warrants	1,040,250	CAD$0.60
December 23, 2020	Exercise of warrants	259,800	CAD$0.60
December 29, 2020	Exercise of options	10,000	CAD$0.64

Warrants

Date of Issuance	Issuance of Warrants upon	Number of securities issued	Issue/exercise price per security
June 5, 2020	Offering of units	2,987,955	$0.75

Stock Options

Date of Issuance	Issuance of Stock Options pursuant to the 2019 Plan upon:	Number of securities issued	Issue/exercise price per security
November 20, 2020	Grant of options	1,300,000	CAD$0.66

Subsequent to the year ended December 31, 2020 until the date of this AIF, the Company issued the following Common Shares and the following securities convertible into Common Shares:

Common Shares

Date of Issuance	Issuance of Common Shares Upon:	Number of securities issued	Issue/exercise price per security
January 4, 2021	Exercise of warrants	278,211	CAD$0.60
January 11, 2021	Exercise of warrants	1,753,822	CAD$0.60
January 18, 2021	Exercise of warrants	891,086	CAD$0.60
January 21, 2021	Vesting of RSUs	10,442,381	CAD$0.35
January 25, 2021	Exercise of warrants	1,933,890	CAD$0.60
February 8, 2021	Exercise of warrants	384,709	CAD$0.60
February 12, 2021	Exercise of warrants	794,200	CAD$0.05/CAD$0.60/$0.75
February 22, 2021	Exercise of warrants	514,500	CAD$0.60/$0.75
March 1, 2021	Exercise of warrants	584,285	$0.75
March 8, 2021	Exercise of warrants	468,833	$0.75
March 18, 2021	Exercise of warrants	348,100	$0.75
March 22, 2021	Exercise of warrants	281,657	$0.75
March 29, 2021	Exercise of warrants	54,500	$0.75
April 12, 2021	Exercise of warrants	327,256	$0.75
April 19, 2021	Exercise of warrants	79,500	$0.75

Special Warrants

Date of Issuance	Issuance of Special Warrants pursuant to:	Number of securities issued	Issue/exercise price per security
February 18, 2021	Offering of Special Warrants	9,528,578	CAD$1.05

Agent's Options

Date of Issuance	Issuance of Compensation Options pursuant to:	Number of securities issued	Issue/exercise price per security
February 18, 2021	Offering of Special Warrants	666,999	CAD$1.05

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrow Agreement

Directors and officers of the Company (the "**Escrow Shareholders**") entered into an escrow agreement (the "**Escrow Agreement**") with the Company and Olympia Trust Company (the "**Escrow Agent**") pursuant to which the Escrow Shareholders have agreed to deposit the securities of the Company that they hold with the Escrow Agent until they are released in accordance with terms of their respective Escrow Agreement, CSE Policy and applicable securities law as follows:

On the date the Company's securities are listed on a Canadian Exchange	10% of the escrow securities
6 months after the listing date	15% of escrow securities
12 months after the listing date	15% of escrow securities
18 months after the listing date	15% of escrow securities
24 months after the listing date	15% of escrow securities
30 months after the listing date	15% of escrow securities
36 months after the listing date	15% of escrow securities

As at the date of this AIF, the securities that are held in escrow pursuant to the Escrow Agreement are shown in the following table:

Designation of class	Total number of securities held in escrow	Percentage of class at the date herein
Common Shares	39,972,510[(1)(2)]	33.27%

Notes:

(1) The release of the Common Shares under the Escrow Agreement are as follows: 10% on date of listing on the CSE and 15% released every six months over a 36-month period.

(2) All Common Shares subject to voluntary escrow conditions are held by officers and directors of the Company. The Company has no shareholders that are not also directors and officers that are subject to voluntary escrow conditions.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table provides the names, municipalities of residence, position in the Company, principal occupations for the last five years and the number of Common Shares that each of the directors and executive officers beneficially owns, directly or directly, or exercise control or discretion over, as of the date of this AIF:

Name, province and country of residence	Position with the Company	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number of Common Shares and Percentage of Common Shares Held[(1)]
Douglas Chloupek Morgan Hill, CA	President, Chief Executive Officer and Director	CEO of Valley Grown Enterprises since April 2017. COO of Lux Wellness from October 2015 to February 2018	June 2018 – Present	27,796,584 (18.02%)
Neil Ruditsky San Jose, CA	Chief Operating Officer	VP of Business Development Coastal Americare (dba Elemental Wellness) from July 2012 to February 2018	August 2018 – Present	1,800,000 (1.17%)
Mathew Lee Vancouver, BC	Chief Financial Officer, Treasurer and Secretary	Manager of Operations for Raymond James Ltd. from December 2014 to November 2016; Corporate Controller for Canadian operations of AP Capital from November 2016 to November 2017	September 2018 – Present	85,000 (0.0001%)
Kari Gothie[(2)] San Francisco, CA	VP Finance and Director	Vice President of Finance of Think Big Analytics from November 2012 to September 2014; From October 2014 to May 2018, Partner and tax specialist for Gothie & Associates LLC	June 2018 – Present	2,950,000 (1.91%)
Dr. Rakesh Patel[(2)] Los Altos, CA	Director	Partner of Valley Medical Oncology Consultants from 2012 to 2016. Formed Precision Cancer Specialists, an oncology services medical group, in 2016	August 2018 – Present	5,925,926 (3.84%)
Thomas Leschak, Oakland, CA	VP of Cultivation	VP of Horticulture, Frosted Flowers from 2014	August 2018 - Present	1,500,000 (1.00%)

Note:

(1) Percentage is based on 154,218,009 Common Shares issued and outstanding as of the date of this AIF.
(2) Member of the Audit Committee.

A description of each of the executive officers and directors of the Company (including details with regard to their principal occupations for the last five years) follows:

Douglas Chloupek, President, Chief Executive Officer and Director: Age: 43. Douglas Chloupek has served as our Chief Executive Officer, President and Director since the inception of Juva USA in 2018. Mr. Chloupek has founded and run numerous cannabis companies, including Valley Grown Enterprises (where he has served as Chief Executive Officer since April 2017), Lux Wellness (where he served as Chief Operating Officer from October 2015 to February 2018), Medmar Healing Center (where he served as Chief Executive Officer from March 2010 to October 2015), and Frosted Flowers (where he has served as Chief Executive Officer since 2013). Mr. Chloupek also founded and served as Chief Operating Officer from January 2015 to June 2016 of BAS Research Center, California's first licensed medical cannabis manufacturing and research group, dedicated to developing pharmaceutical grade cannabis products. Additionally, Mr. Chloupek is the co-founder and has served since June 2017 as the President of Day-to-Day Ingredients, which supplies molecularly-infused sugar, salt and non-dairy powder creamer to infused product manufacturers in the California market and CBD product market globally. Mr. Chloupek also has helped build and support California's cannabis industry, as a founding member of both the California Cannabis Industry Association and the Citizens Coalition for Patient Care. We believe Mr. Chloupek's extensive experience in the industry and entrepreneurial background and knowledge will help further the Company's business goals and efforts. Mr. Chloupek will devote 100% of his time to the Company.

Neil Ruditsky, Chief Operating Officer: Age: 50. Mr. Ruditsky has served as our Chief Operating Officer since August 2018. Mr. Ruditsky has spent more than two decades in senior leadership positions in the hospitality and cannabis industries, including with Coastal Americare (dba Elemental Wellness) where he served as VP of Business Development from July 2012 to February 2018, and the Pyramid Hotel Group where he served as General Manager from May 2006 to July 2012. Mr. Ruditsky also founded NSR Enterprises, a company that consulted with cannabis businesses on various operational issues. Mr. Ruditsky received a Bachelor of Science degree in Hospitality from Johnson & Wales University in May, 1992. Mr. Ruditsky will devote 100% of his time to the Company.

Mathew Lee, Chief Financial Officer, Treasurer and Secretary: Age: 36. Mr. Lee has served as our Chief Financial Officer, Treasurer and Secretary since September 2018. Mr. Lee has over ten years of experience in audit, finance, public company financial reporting and operations management. He began his career as a CPA, CA with Smythe LLP and performed financial statement audits and handled taxation matters for both publicly traded and privately held entities from January 2007 to December 2014. From December 2014 to November 2016, Mr. Lee was Manager of Operations for Raymond James Ltd., one of Canada's largest independent investment dealers with revenues in excess of $300 million and assets under administration in excess of $33 billion. Mr. Lee provided overall leadership and business direction to two teams of 40 associates while overseeing the execution and facilitation of transactions for Canadian operations. From November 2016 to November 2017, Mr. Lee served as Corporate Controller for AP Capital, a real estate investment company with assets under management of $150 million. Since November 2017, Mr. Lee has served as chief financial officer for multiple TSX-V and CSE listed companies with a focus on cannabis, mining, and technology. Mr. Lee has expertise in the areas of financial reporting, budgeting, forecasting, cash management and process improvement. Mr. Lee received a Chartered Accountant designation in June, 2009 and a Bachelor of Commerce Degree from the University of British Columbia in May, 2007. Mr. Lee will devote 50% of his time to the Company.

Rakesh R. Patel, MD, Director: Age: 47. Dr. Patel has served as a member of our Board of Directors since August 2018. Dr. Patel is a renowned oncologist and clinical researcher, and has been a partner of leading oncology medical groups in Northern California since 2012. Dr. Patel served as a partner of Valley Medical Oncology Consultants from 2012 to 2016. In 2016, Dr. Patel formed Precision Cancer Specialists, an oncology services medical group, where he currently serves as Medical Director. Dr. Patel is a seasoned entrepreneur who has participated in multiple healthcare start-ups. Dr. Patel received an M.D. from Indiana University in June, 1999 and completed Oncology training at the University of Wisconsin in 2004. Dr. Patel has served as a national principal investigator of registry research trials with responsibilities of trial design, patient accrual, data analyses, scientific presentations and development of publication strategy. We believe that Dr. Patel's entrepreneurial healthcare leadership background, combined with his strong clinical research and education experience, will help accelerate the medical side of the Company's business goals. Dr. Patel will devote 25% of his time to the Company.

Kari Gothie, VP of Finance and Director: Age: 50. Ms. Gothie has served as the Company's Vice President of Finance since June 2018 and as a member of our Board of Directors since June 2019. Ms. Gothie has over 30 years of financial experience, including as Vice President of Finance with Think Big Analytics (a Teradata Company) from November 2012 through September 2014 and as Chief Financial Officer and Board member of FocusFrame Inc. from November 2002 through March 2007. From October 2014 to May 2018, Ms. Gothie served as a partner and tax specialist for Gothie & Associates LLC in Connecticut, in addition to consulting with private companies in the Bay Area of Northern California, advising in all areas of finance, accounting, human resources and corporate governance. Ms. Gothie received a Certified Public Accountant (CPA) designation in November 1991 and began her career as a CPA with KPMG and performed financial statement audits and handled taxation matters for both publicly traded and privately held entities from 1986 to 1989. From 1990 to 1993 she was a senior manager with a regional accounting firm Gothie & Company CPAs, working with private companies in all areas of audit, tax and compliance. She received her Master's in Business Administration from University California at Berkeley in 1995 and has spent all subsequent years working with start-up companies as both an employee and private consultant. Ms. Gothie has expertise in the areas of strategic analysis, budgeting, forecasting, cash management, and risk management. She also has extensive experience in high growth organizations and mergers and acquisitions. Ms. Gothie will devote 100% of her time to the Company.

Thomas Leschak, VP of Cultivation: Age: 44. Mr. Leschak has served as the Company's Vice President of Cultivation since June 2018. Mr. Leschak is the Vice President of Horticulture for Frosted Flowers. He is the co-founder of CannAcademy, a trade school for cannabis cultivation. Mr. Leschak has acted as a private consultant for multiple collectives throughout California since 1999. Mr. Leschak will devote 100% of his time to the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, other than as disclosed below, no existing or proposed director, executive officer or promoter of the Company is, or within the 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other corporation that, while that person was acting in the capacity of a director, chief executive officer or chief financial officer of that corporation, was the subject of a cease trade order or similar order that denied the Company access to any exemptions under applicable securities law, for a period of more than 30 consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, 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.

Mr. Mathew Lee was appointed CFO of Good Life Networks Inc. (now named Aquarius AI Inc.) on August 30, 2019. On September 5, 2019, the British Columbia Securities Commission issued a cease trade order

for the failure of Good Life Networks Inc. to file its interim financial statements for the period ended June 30, 2019. Mr. Lee resigned as CFO of Good Life Networks Inc. on September 12, 2019. Good Life Networks Inc. filed its interim financial statements for the period ended June 30, 2019 on November 19, 2019. The cease trade order was revoked by the British Columbia Securities Commission on November 20, 2019.

Penalties or Sanctions

To the knowledge of the Company, no director, officer or promoter of the Company, or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company has, within the last 10 years before the date of this AIF, been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable investor making a decision in regards to the Company.

Personal Bankruptcies

To the knowledge of the Company, no director, officer or promoter of the Company or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of such persons has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. The directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Company are not aware of any such conflicts of interest.

PROMOTERS

Douglas Chloupek, the Company's CEO, is considered a Promoter of the Company, as Mr. Chloupek has taken the initiative in reorganizing and financing the Company. Mr. Chloupek owns directly and indirectly 27,796,584 Common Shares, representing, 18.02% of the issued and outstanding Common Shares as of the date of this AIF. See "Directors and Officers" for more information about Mr. Chloupek.

Except as disclosed in this AIF, to the best of the Company's knowledge, no person who was a promoter of the Company within the last two years:

(a) receive anything of value directly or indirectly from the Company or a subsidiary; or

(b) sold or otherwise transferred any asset to the Company or a subsidiary within the last two years.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Kindrub/Kind Medicine Inc.

In October 2018, Juva USA and Kindrub/Kind Medicine, Inc. ("**Kind**"), a cannabis manufacturer, executed a Letter of Intent to memorialize the parties' mutual intent for Juva USA to acquire Kind (the "**Kind Transaction**"). The Letter of Intent set forth various binding and non-binding terms that would govern the parties' conduct until the Kind Transaction was complete or the pursuit of the Kind Transaction was terminated. Pursuant to the Letter of Intent, Juva USA paid $150,000 .00 to Kind as a deposit to be credited towards the purchase price. Shortly after executing the Letter of Intent, the parties entered into a Cannabis Business Management Agreement (the "Kind Management Agreement") whereby Juva USA took over all management of Kind's business while continuing its due diligence in connection with the Kind Transaction. Per the terms of the Kind Management Agreement, Juva USA incurred substantial out of pocket costs associated with the business management and operation. In December 2018, after Juva USA had made the $150,000 deposit payment to Kind and incurred multiple expenses and made loans under the Kind Management Agreement, Kind notified Juva USA of its intent to terminate the Letter of Intent. Juva USA demanded the return of the deposit and expenses under the governing agreements. Kind refused to return the monies owed to Juva USA. Pursuant to the arbitration clause set forth in the Letter of Intent, Juva USA filed an arbitration demand with the American Arbitration Association for costs and damages against Kind on June 3, 2019.

Muse Brands, LLC v. Doug Chloupek and Juva Life, Inc.

On January 10, 2020, Muse Brands, LLC ("**Muse**"), a California-based company that provides graphic design and branding services, filed a lawsuit against Juva USA and Doug Chloupek in the Superior Court in Alameda County. The complaint alleges five causes of action: breach of contract, breach of fiduciary duty, promissory estoppel, restitution and violation of unfair competition law. All causes of action arise from a 2016 contract between BAS Research and Muse. The complaint alleges that Mr. Chloupek, while an officer of BAS Research, engaged Muse to investigate and research new names for the company. The complaint further alleges that Muse provided Mr. Chloupek with the name "Juvo," but that neither Mr. Chloupek nor BAS purchased the right to use the name. Muse recently learned of the Company and alleges that Mr. Chloupek has breached his ongoing contractual duty to Muse to maintain the secrecy of Juvo and not to use it for any purpose without the consent of Muse. The defendants filed a demurrer to the complaint on February 11, 2020, and was scheduled for May 2020, but has been delayed due to Covid-19.

Regulatory Actions

During the period ended December 31, 2020 and as at the date herein, the Company is not and has not been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor, or entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, none of the Directors, executive officers or shareholders, owning or exercising control or direction over more 10% of the Common Shares, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected us or is reasonably expected to materially affect the Company.

Name	Title	Salary	Share-based payments	Total
Douglas Chloupek	CEO, director	105,000	-	105,000
Mathew Lee	CFO	22,222	230,877	253,099
Kari Gothie	VP Finance, director	100,000	31,930	131,930
Neil Ruditsky	COO	92,500	-	92,500
Thomas Leschak	VP Cultivation	75,000	-	75,000
Norton Singhavon	Director	-	5,322	5,322
TME - Rakesh Patel	Director	50,000	81,101	131,101
		444,722	349,230	793,952

Note: Mr. Singhavon resigned as a director effective December 8, 2020.

During the year ended December 31, 2020, key management compensation included the following:

Name	Title	Salary	Share-based payments	Total
Douglas Chloupek	CEO, director	210,000	-	210,000
Mathew Lee	CFO	50,000	246,567	296,567
Kari Gothie	VP Finance, director	200,000	6,192	206,192
Neil Ruditsky	COO	185,000	-	185,000
Thomas Leschak	VP Cultivation	150,000	-	150,000
Norton Singhavon	Director	-	62,154	62,154
Rakesh Patel	Director	-	134,019	134,019
		795,000	448,932	1,243,932

Note: Mr. Singhavon resigned as a director effective December 8, 2020.

During the year ended December 31, 2020, the Company had the following related party transactions:

a) The Company paid $891,044 (2019 - $602,281) in lease payments to Best Leasing Services, Inc., a company 100% owned by the CEO and a shareholder of the Company; and

b) The Company entered into a consulting agreement with TME Consulting, LLC ("**TME**"), a company minority owned by a director of the Company. Pursuant to the terms of the agreement, TME will receive $10,000 per month and receive 450,000 options with an exercise price of $0.50 per option. TME was paid $80,000 during the year (2019 - $Nil).

Included in accounts payable and accrued liabilities as at December 31, 2020 is $53,541 (2019 - $31,750) owed to officers and directors of the Company.

Included in deposits as at December 31, 2020 is $24,000 (2019 - $24,000) with Best Leasing Services, Inc.

During the year ended December 31, 2019, the Company had the following related party transactions:

(a) the Company paid $602,281 (2018 - $276,469) in lease payments and a $27,240 (2018 - $56,211) security deposit to Best Leasing Services, Inc., a company 100% owned by the CEO of the Company and a shareholder of the Company;

(b) the Company paid $752,837 (2018 - $83,116) in salaries and consulting fees to key management of the Company;

(c) in connection with the acquisition of Precision and VG, the Company assumed a total of $Nil (2018 - $284,778) in amounts owed to the CEO of the Company and director of the Company;

(d) the Company recorded share-based compensation of $429,743 (2018 - $24,791) for the vested portion of options granted to key management; and

(e) the Company recorded share-based compensation of $2,517,817 (2018 - $Nil) for the vested portion of RSUs granted to officers and directors.

Included in accounts payable and accrued liabilities as at December 31, 2019 is $31,750 (2018 - $53,592) owed to the CEO and CFO of the Company.

During the period ended December 31, 2018, Juva USA had the following related party transactions:

(a) Juva USA paid an aggregate of $276,240 in lease payments and $56,211 in security deposits to Best Leasing Services, Inc., a company owned by Douglas Chloupek, the Chief Executive Officer and a director and shareholder of the Company. Juva USA leases the San Juan facility, the Clawiter Road facility and the Enterprise Avenue facility from Best Leasing Services, Inc. pursuant to sublease agreements with Best Leasing Services, Inc. Approximately 90% of the payments under the sublease agreements are passed directly to the landlord of each property pursuant to the master lease agreements between such landlord and Best Leasing Services, Inc.; and

(b) in connection with the acquisition of Precision and VG, Juva USA assumed a total of $249,778 in amounts owed to Douglas Chloupek, the Chief Executive Officer and Rakesh Patel, a director and shareholder of the Company, and $35,000 in amounts owed to our director, Rakesh Patel's father, which amounts were repaid in December 2018.

Review, Approval and Ratification of Related Party Transactions

Given our small size and limited financial resources, we have not adopted formal policies and procedures for the review, approval or ratification of transactions, such as those described above, with our executive officer(s), director(s) and significant shareholders. We intend to establish formal policies and procedures in the future, once we have sufficient resources and have appointed additional directors, so that such transactions will be subject to the review, approval or ratification of our Board, or an appropriate committee thereof. On a moving forward basis, our directors will continue to approve any related party transaction.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar of the Company is Olympia Trust Company at its office located in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, as of the date of this AIF, the only material contracts which the Company entered into within their most recently completed financial years, subsequent to their most recently completed financial years to the date of this AIF, or prior to their most recently completed financial years but which are still in effect are set out below:

- the Merger Agreement;
- the Contribution and Equity Exchange Agreement;
- Consulting Agreements with directors and officers of the Company; and
- the Escrow Agreement.

INTERESTS OF EXPERTS

Names of Experts

The following are persons or companies whose profession or business gives authority to a statement made in this AIF as having prepared or certified a part of that document or report described in this AIF:

- Davidson & Company LLP, Chartered Professional Accountants, who audited the financial statements of the Company the years ended December 31, 2020, and 2019, which are filed on SEDAR.

To the knowledge of management, as of the date hereof, no expert, nor any associate or affiliate of such person has any beneficial interest, direct or indirect, in the securities or property of the Company or of an associate or affiliate of any of them, and no such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of an associate or affiliate thereof.

Interests of Experts

Davidson & Company LLP, Chartered Professional Accountants, who audited the financial statements of the Company for each of the years ended December 31, 2020, and 2019, are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, the Company's principal shareholders, and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's most recently filed management information circular and the Company's available on SEDAR at www.sedar.com. Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2020 as available on SEDAR at www.sedar.com.