Execution Version

UNDERWRITING AGREEMENT

October 26, 2020

4Front Ventures Corp.
5060 North 40th Street, Suite 120
Phoenix, AZ 85018

Attention: Leonid Gontmakher, Chief Executive Officer

Dear Sir:

Based upon and subject to the terms and conditions set out in this Agreement, Beacon Securities Limited, as sole bookrunner and lead underwriter ("**Beacon**" or the "**Lead Underwriter**"), together with Canaccord Genuity Corp. and Haywood Securities Inc. (collectively with the Lead Underwriter, the "**Underwriters**") hereby offer to purchase, on a "bought deal" basis, severally and not jointly in their respective proportions set out in Section 16 of this Agreement, from 4Front Ventures Corp. (the "**Company**"), and the Company hereby agrees to sell to the Underwriters on the Closing Date (as defined herein), 21,430,000 units of the Company (the "**Offered Units**"), at a price of $0.70 per Offered Unit (the "**Offering Price**"), for aggregate gross proceeds to the Company of $15,001,000. Each Offered Unit shall consist of one Class A Share (as defined herein) (each a "**Unit Share**") and one-half of one Class A Share purchase warrant (each whole Class A Share purchase warrant, a "**Warrant**"). The Warrants will be issued on the Closing Date pursuant to a warrant indenture to be dated as of the Closing Date between Alliance Trust Company (the "**Warrant Agent**") and the Company (the "**Warrant Indenture**"). Each Warrant will entitle the holder to purchase one Class A Share (each, a "**Warrant Share**") at a price of $0.90 for a period of 24 months following the Closing Date.

In addition, the Company hereby grants an option (the "**Over-Allotment Option**") to the Underwriters entitling the Underwriters to acquire from the Company, on and subject to the terms and conditions contained herein, until the 30th date following the Closing Date, up to 3,214,500 additional Offered Units (the "**Additional Units**") at the Offering Price for additional gross proceeds of up to $2,250,150. The Over-Allotment Option will be exercisable to purchase: (i) Additional Units at the Offering Price, (ii) additional Unit Shares (the "**Additional Shares**") at a price of $0.67 per Additional Share, (iii) additional Warrants ("**Additional Warrants**") at a price of $0.06 per one Additional Warrant, or (iv) a combination thereof, so long as (A) the number of Additional Units does not exceed 3,214,500, (B) the number of Additional Shares does not exceed 3,214,500, and (C) the number of Additional Warrants (including Warrants forming part of the Additional Units) does not exceed 1,607,250. The Underwriters shall be under no obligation whatsoever to exercise the Over-Allotment Option in whole or in part.

Unless otherwise specifically referenced or unless the context otherwise requires, the Offered Units and the Additional Units, Additional Shares and/or Additional Warrants are collectively referred to herein as the "**Offered Securities**", all references to "**Offered Units**" herein shall include the Additional Units, all references to "**Unit Shares**" herein shall include the Class A Shares comprising the Additional Units and the Additional Shares, all references to "**Warrants**" herein shall include the Additional Warrants, all references to "**Warrant Shares**" herein shall include the Class A Shares issuable upon exercise of the Additional Warrants and the offering of the Offered Securities by the Company is hereinafter referred to as the "**Offering**".

The Offered Securities may be distributed in each of the provinces of Canada, except Quebec (the "**Qualifying Jurisdictions**") pursuant to the Final Prospectus (as defined herein). The Offered Securities may also be offered and sold to, or for the account or benefit of, persons in the United States (as defined below) and U.S. Persons (as defined below) on a private placement basis in accordance with Schedule "B" attached hereto, which Schedule forms a part of this Agreement, and in compliance with U.S. Securities Laws (as defined herein) to Persons who the Underwriters reasonably believe to be Qualified Institutional Buyers (as defined herein) and "accredited investors" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act. The Corporation understands that although this Agreement is presented on behalf of the Underwriters as purchasers, the Underwriters may arrange for substituted purchasers for the Offered Securities in connection with private placements of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons only in accordance with Rule 506(b) of Regulation D under the U.S. Securities Act and the provisions of this Agreement and, without limiting the foregoing, specifically Schedule "B" to this Agreement.

Subject to applicable Securities Laws (as defined herein) and the terms of this Agreement, the Offered Units may be distributed outside of the Qualifying Jurisdictions and the United States, in each jurisdiction as mutually agreed to by the Company and the Underwriters where they be lawfully sold by the Underwriters without: (i) giving rise to a requirement under the laws of such jurisdiction to prepare and/or file a prospectus or document having similar effect; or (ii) creating any ongoing compliance obligations or continuous disclosure obligations for the Company pursuant to the laws of such jurisdiction.

The Underwriters shall be entitled (but not obligated) in connection with the Offering to retain as subagents other registered securities dealers for the purposes of arranging for purchases of the Offered Units (each, a "**Selling Firm**"), at no additional cost to the Company. The fee payable to any Selling Firm shall be for the account of the Underwriters.

In consideration of the services to be rendered by the Underwriters hereunder, the Underwriters will receive a cash fee (the "**Underwriters' Commission**") equal to 6.0% of the gross proceeds received by the Company from the Offering (including any gross proceeds from the sale of the Additional Units, Additional Shares and/or Additional Warrants). As additional consideration for the services to be rendered by the Underwriters hereunder, the Underwriters shall be issued Compensation Options (the "**Compensation Options**") equal to 6.0% of the aggregate number of Offered Units sold hereunder (including from the sale of the Additional Units, Additional Shares and/or Additional Warrants). The Compensation Options will be qualified for distribution under the Final Prospectus. Each Compensation Option will entitle the holder to purchase one Class A Share (each, a "**Compensation Option Share**") at the Offering Price for a period of 24 months following the Closing Date. If the Compensation Options are unavailable for any reason it is agreed that the Company shall pay the Underwriters other compensation of comparable value to the Compensation Options. Such other compensation shall be agreed to between the Company and the Underwriters, each acting reasonably.

The parties acknowledge that the Offered Units, the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options, and the Compensation Option Shares, have not been and will not be registered under the U.S. Securities Act (as defined herein) or the securities laws of any state of the United States (as defined herein) and may not be offered or sold in the United States, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States in the manner specified in this Agreement and pursuant to the representations, warranties, acknowledgments, agreements and covenants of the Company and the Underwriters and the U.S. Affiliates

(as defined herein) contained in Schedule "B" hereto. All actions to be undertaken by the Underwriters in the United States in connection with the matters contemplated herein shall be undertaken through the U.S. Affiliates.

The Underwriters acknowledge that the Compensation Options, and the Compensation Option Shares (together, the "**Compensation Securities**") have not been and will not be registered under the U.S. Securities Act, and the Compensation Securities may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act. In connection with the issuance of the Compensation Securities, as the case may be, each of the Underwriters represents and warrants that (i) it is not a U.S. Person and it is not acquiring the Compensation Securities in the United States, or on behalf of a U.S. Person or a person located in the United States, (ii) this Agreement was executed and delivered outside the United States, and (iii) it is acquiring the Compensation Securities as principal for its own account and not for the benefit of any other person.

DEFINITIONS AND INTERPRETATION

In this Agreement:

"**Additional Shares**" has the meaning given to that term in the second paragraph of this Agreement;

"**Additional Units**" has the meaning given to that term in the second paragraph of this Agreement;

"**Additional Warrants**" has the meaning given to that term in the second paragraph of this Agreement;

"**affiliate**", "**associate**", "**distribution**", "**material change**", "**material fact**", and "**misrepresentation**" have the respective meanings given to them in the Ontario Act;

"**Agreement**" means this Underwriting Agreement and not any particular article or section or other portion except as may be specified and words such as "hereof", "hereto", "herein" and "hereby" refer to this Agreement as the context requires;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Bid Letter**" means the letter agreement dated October 20, 2020 between the Company and Beacon, relating to the Offering;

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

"**Canadian Securities Commissions**" means, collectively, the applicable securities commissions or other securities regulatory authority in each of the Qualifying Jurisdictions (including the CSE);

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published policy statements, blanket orders, instruments and notices of the Canadian Securities Commissions and all

discretionary orders or rulings, if any, of the Canadian Securities Commissions made in connection with the transactions contemplated by this Agreement;

"**Cannabis Laws**" means the U.S. laws, statutes and/or regulations, as applicable, relating to the cultivation, processing, extraction, tracking, distribution or possession of cannabis, cannabis derivatives and cannabis related products and substances in the U.S. and other related orders, judgements, or decrees related thereto;

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

"**Class A Shares**" means the class A subordinate voting shares in the capital of the Company;

"**Closing**" means the completion of the issue and sale by the Company and the purchase by the Purchasers or the Underwriters, as applicable, of the Offered Units as contemplated by this Agreement;

"**Closing Date**" means November 12, 2020 or such other date as the Company and the Lead Underwriter may agree in writing;

"**Closing Time**" means 8:30 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Lead Underwriter may agree in writing;

"**comparables**" has the meaning given to that term in NI 44-101;

"**Compensation Options**" has the meaning given to that term in the sixth paragraph of this Agreement;

"**Compensation Option Certificates**" means the definitive certificates representing the Compensation Options in a form acceptable to the Underwriters and the Company;

"**Compensation Option Shares**" has the meaning given to that term in the sixth paragraph of this Agreement;

"**Company**" has the meaning given to that term in the first paragraph of this Agreement;

"**Company's Auditors**" means such firm of chartered accountants as the Company may have appointed or may from time to time appoint as auditors of the Company;

"**Continuing Underwriters**" has the meaning given to that term in Section 16;

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

"**Debt Instrument**" means any mortgage, note, indenture, loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

"**Disclosure Documents**" means, collectively, all of the documentation which has been filed by or on behalf of the Company with the relevant Securities Commissions pursuant to the requirements of applicable Canadian Securities Laws, including, without limitation, all press releases, material change reports (excluding any confidential material change reports) and financial statements of the Company since January 1, 2019;

"**Documents Incorporated by Reference**" means all financial statements, management information circulars, annual information forms, material change reports, business acquisition reports, marketing materials or other documents filed by the Company on SEDAR, whether before or after the date of this Agreement, that are incorporated by reference into the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as applicable;

"**Environmental Laws**" means any federal, provincial, state, local or municipal statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of Hazardous Materials or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

"**Environmental Permits**" means permits, authorizations and approvals required under any Environmental Laws to carry on business as currently conducted;

"**Final Prospectus**" means the (final) short form prospectus of the Company, including all Documents Incorporated by Reference, to be approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Offered Units and the Compensation Options under Canadian Securities Laws, which is to be filed with the OSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System;

"**Final Receipt**" means a receipt for the Final Prospectus issued in accordance with the Passport System;

"**Financial Data**" means financial information, including the Financial Statements, and statistical and accounting data (other than industry data derived from industry sources or based upon estimates of management of the applicable person);

"**Financial Statements**" means, collectively: the unaudited condensed consolidated interim financial statements of the Company for the period ending June 30, 2020; the amended and refiled audited consolidated financial statements of the Company as at and for the years ended December 31, 2019 and 2018; and any other financial statements included by the Company in the Documents Incorporated by Reference, including the notes to such statements and the related auditors' report on such statements, where applicable, prepared in accordance with IFRS;

"**Governmental Authority**" means any governmental authority and includes any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any securities regulatory authority, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

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

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board, or any successor entity, applicable as at the date on which such principles are applied;

"**including**" means including without limitation;

"**Indemnified Party**" or "**Indemnified Parties**" has the meaning given to that term in subsection 13(a);

"**Intellectual Property**" has the meaning given to that term in subsection 5(nn);

"**knowledge of the Company**" (or similar phrases) means, with respect to the Company, the actual knowledge of its directors and officers after due and diligent inquiry;

"**Lead Underwriter**" has the meaning given to that term in the first paragraph of this Agreement;

"**Leased Premises**" means the premises which are material to the Company or any Subsidiary, and which the Company or any Subsidiary occupies as a tenant;

"**Licences**" has the meaning given to that term in subsection 5(jjj);

"**Liens**" means any mortgage, charge, pledge, encumbrance, hypothec, security interest, prior claim, demand or lien (statutory or otherwise), in each case, whether contingent or absolute;

"**marketing materials**" has the meaning given to that term in NI 41-101;

"**Marketing Materials**" means the term sheet dated October 20, 2020 in respect of the Offering;

"**Material Adverse Effect**" means the effect resulting from any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable), event or circumstance that (i) is or that is reasonably likely to be materially adverse to the business, assets (including intangible assets), properties, liabilities, capitalization, ownership, financial condition, or results of operations of the Company and the Subsidiaries, taken as a whole, after giving effect to this Agreement and the transactions contemplated hereby; or (ii) would result in any Offering Document containing a misrepresentation;

"**Material Agreement**" means any material contract, commitment, agreement (written or oral), instrument, lease or other document, including licence agreements and agreements relating to Intellectual Property, to which the Company or any Subsidiary are a party or to which its property or assets are otherwise bound;

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

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

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

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

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

"**Offered Securities**" has the meaning given to that term in the third paragraph of this Agreement;

"**Offered Units**" has the meaning given to that term in the first and third paragraphs of this Agreement;

"**Offering**" has the meaning given to that term in the third paragraph of this Agreement;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material;

"**Offering Price**" has the meaning given to that term in the first paragraph of this Agreement;

"**Ontario Act**" means the *Securities Act* (Ontario);

"**OSC**" means the Ontario Securities Commission;

"**OTCQX**" means the OTCQX Market;

"**Over-Allotment Closing**" has the meaning given to that term in subsection 8(b);

"**Over-Allotment Closing Date**" has the meaning given to that term in subsection 8(a);

"**Over-Allotment Closing Time**" means 8:30 a.m. (Toronto time) on the Over-Allotment Closing Date or such other time on the Over-Allotment Closing Date as the Company and the Lead Underwriter may agree in writing;

"**Over-Allotment Option**" has the meaning given to that term in the second paragraph of this Agreement;

"**Over-Allotment Option Notice**" has the meaning given to that term in subsection 8(a);

"**Owned Real Property**" means the real property owned by the Company or its Subsidiaries located at 9603 and 9631 Lathrop Industrial Dr SW, Tumwater, WA; 37 Enterprise Lane, Elma, WA; 401 E Main St, Georgetown, MA; 640 Lincoln St, Worcester, MA; 8554 S. Commercial Ave, Chicago, IL; 1330 S. Torrence Ave, Calumet City, IL; 2410 Greenleaf Ave, Elk Grove Village, IL; 6100 Bandini Blvd., Commerce, CA; 111 S Main St, Ann Arbor, MI; 2077 Kurtz St, San Diego, CA;

"**Passport System**" means the system and procedures described under MI 11-102 and NP 11-202;

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

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Company dated even date herewith, including all Documents Incorporated by Reference, to be approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Offered Units and the Compensation Options under Canadian Securities Laws, which is to be filed with the OSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System;

"**Preliminary Receipt**" means a receipt for the Preliminary Prospectus issued in accordance with the Passport System;

"**Principal Securityholders**" means the securityholders of the Company listed in Schedule C;

"**Prospectus**" means, collectively, the Preliminary Prospectus, the Final Prospectus and any amendments thereto;

"**Purchasers**" means the persons who, as purchasers, acquire the Offered Units;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as that term is defined in Rule 144A;

"**Qualifying Jurisdictions**" has the meaning given to that term in the fourth paragraph of this Agreement;

"**Refusing Underwriter**" has the meaning given to that term in Section 16;

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;

"**Rule 144A**" means Rule 144A adopted by the SEC under the U.S. Securities Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Commissions**" means, collectively, the Canadian Securities Commission and, if applicable, the SEC and FINRA and any applicable securities regulatory authority of any state of the United States;

"**Securities Laws**" means, unless the context otherwise requires, the Canadian Securities Laws and the U.S. Securities Laws;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Selling Firm**" has the meaning given to that term in the fifth paragraph of this Agreement;

"**standard term sheet**" has the meaning given to that term in NI 41-101;

"**Subsidiaries**" means the material subsidiaries of the Company as listed in Schedule "A", and "**Subsidiary**" means any one of them;

"**subsidiary**" has the meaning given to that term in the BCBCA;

"**Supplementary Material**" means, collectively, any amendment to or amendment and restatement of the Preliminary Prospectus, the Prospectus or U.S. Memorandum that may be filed by or on behalf of the Company under applicable Securities Laws relating to the distribution of the Offered Securities thereunder;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Taxes**" has the meaning given to that term in subsection 5(gg);

"**template version**" has the meaning given to that term in NI 41-101;

"**Transaction Documents**" means, collectively, this Agreement, the Warrant Indenture, the Compensation Option Certificates and the certificates, if any, representing the Offered Securities, the Warrant Shares and the Compensation Option Shares and any other documents or agreements executed in connection with the transactions contemplated hereunder;

"**Transfer Agent**" means the registrar and transfer agent for the Class A Shares, currently Alliance Trust Company;

"**Underwriters**" has the meaning given to that term in the first paragraph of this Agreement;

"**Underwriters' Commission**" has the meaning given to that term in the sixth paragraph of this Agreement;

"**Underwriters' Information**" means information and statements relating solely to the Underwriters which have been provided by an Underwriter to the Company in writing specifically for use in the Offering Documents;

"**Unit Shares**" has the meaning given to that term in the first and third paragraphs of this Agreement;

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

"**U.S. Affiliate**" means an Underwriter's duly registered broker-deal affiliate in the United States;

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

"**U.S. Memorandum**" has the meaning given to that term in subsection 3(c);

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

"**U.S. Securities Laws**" means the United States federal securities laws, including, without limitation, the U.S. Securities Act and the U.S. Exchange Act and the rules and regulations promulgated thereunder and as may be amended from time to time, and applicable state securities laws;

"**Warrant**" has the meaning given to that term in the first and third paragraphs of this Agreement;

"**Warrant Agent**" has the meaning given to that term in the first paragraph of this Agreement;

"**Warrant Indenture**" has the meaning given to that term in the first paragraph of this Agreement;

"**Warrant Share**" has the meaning given to that term in the first and third paragraphs of this Agreement; and

"**Washington Entities**" means 7Point Holdings LLC ("**7Point**") and Superior Gardens, LLC (d/b/a Northwest Cannabis Solutions) ("**NWCS**").

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

(a) the division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or the interpretation of this Agreement. References herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement;

(b) references herein to any agreement or instrument, including this Agreement, are deemed to be references to the agreement or instrument as varied, amended, modified, supplemented or replaced from time to time, and any specific references herein to any legislation or enactment are deemed to be references to such legislation or enactment as the same may be amended or replaced from time to time; and

(c) (i) words importing only the singular number include the plural and vice versa and words importing gender include all genders; and (ii) all references to dollars or "$" are to Canadian dollars.

The following schedules are attached to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule "A" – Subsidiaries
Schedule "B" – Terms and Conditions for United States Offers and Sales

TERMS AND CONDITIONS

1. **Company's Covenants.**

The Company makes the following covenants to the Underwriters, and acknowledges that each of them is relying on such covenants in purchasing the Offered Units.

(a) Promptly after the execution and delivery of this Agreement by the parties hereto, the Company shall file under Canadian Securities Laws the Preliminary Prospectus and other documents relating to the proposed distribution of the Offered Units in the Qualifying Jurisdictions, and the Company shall use its commercially reasonable best efforts to obtain the Preliminary Receipt from the OSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System dated the date hereof.

(b) The Company shall use its commercially reasonable best efforts to satisfy all comments with respect to the Preliminary Prospectus as soon as possible after receipt of such comments. The Company shall prepare and file under the Canadian Securities Laws the Final Prospectus and other documents relating to the proposed distribution of the Offered Units in the Qualifying Jurisdictions, and the Company shall use its commercially reasonable best efforts to obtain the Final Receipt from the OSC (as principal regulator)

and each of the other Canadian Securities Commissions pursuant to the Passport System dated on or before November 5, 2020.

(c) Until the earlier of the date on which the distribution of the Offered Units is completed or this Agreement is terminated, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Units and the Compensation Options or, in the event that the Offered Units, Compensation Options or any of them, have, for any reason, ceased to so qualify, to so qualify again such securities, as applicable, for distribution.

(d) Provided the Underwriters have timely taken all action required by them hereunder and under Securities Laws to permit the Company to do so, the Company shall use its commercially reasonable best efforts to secure compliance with all Securities Laws on a timely basis in connection with the distribution of the Offered Units and the Compensation Options, including the payment of all filing fees required to be paid by it in connection therewith.

(e) Prior to the Closing Time and any Over-Allotment Closing Time, the Company will allow the Underwriters (and their counsel and consultants) to conduct all due diligence which the Underwriters may reasonably require or which may be considered necessary or appropriate by the Underwriters. The Company will provide to the Underwriters (and their counsel) reasonable access to the properties, senior management personnel and corporate, financial and other records of the Company and the Subsidiaries, for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry which the Underwriters (or their counsel) may conduct, the Company shall also make available its directors, senior management, auditors and counsel to answer any reasonable questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to Closing and any Over-Allotment Closing and prior to filing each of the Preliminary Prospectus and the Final Prospectus and any amendment thereto.

(f) The Company covenants to use its commercially reasonable best efforts to obtain the necessary final approval, if any, of the CSE for the Offering on such terms as are customary.

(g) During the period from the date hereof until the Closing and any Over-Allotment Closing, the Company covenants to promptly provide to the Underwriters and the Underwriters' counsel, prior to the publication, filing or issuance thereof, any communication to the public.

(h) The Company covenants to apply the net proceeds from the Offering in accordance with the parameters described in the Prospectus.

(i) The Company covenants to advise the Underwriters, promptly after receiving notice thereof, of the time when the Preliminary Prospectus, Final Prospectus and any Supplementary Material have been filed and receipts therefor have been obtained pursuant to NP 11-202 and will provide evidence satisfactory to the Underwriters of each such filing and copies of such receipts.

(j) The Company covenants to advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, of:

(i) the issuance by any Securities Commission of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum or any Supplementary Material;

(ii) any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in the Class A Shares or any securities of the Company having been issued by any Securities Commission;

(iii) the institution, threatening or contemplation of any proceeding for any of the foregoing purposes; or

(iv) any requests made by any Securities Commission for amending or supplementing the Preliminary Prospectus, the Final Prospectus or U.S. Memorandum or for additional information, and will use its commercially reasonable best efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible.

(k) The Company covenants that the Company shall (i) not take any action which would be reasonably expected to result in the delisting or suspension of the Class A Shares on or from the CSE and/or the OTCQX and the Company shall use its commercially reasonable best efforts to comply with the rules and regulations thereof, and (ii) use its commercially reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of Canadian Securities Laws in each of the Qualifying Jurisdictions.

(l) The Company shall not, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, after discussion therewith, which consent shall not be unreasonably conditioned, withheld or delayed, directly or indirectly offer, issue, pledge, sell, contract to sell, announce an intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Class A Shares or securities convertible into or exchangeable for Class A Shares for a period ending 90 days after the Closing Date, other than: (i) the exercise of the Over-Allotment Option; (ii) the issuance of Class A Shares in connection with the exercise of any currently outstanding options or warrants or other securities convertible into Class A Shares of the Company, (iii) the issuance of options to acquire Class A Shares pursuant to the Company's stock option plan or other compensation arrangements in place prior to the date hereof; and (iv) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction, including pursuant to arm's length corporate and/or asset acquisitions.

(m) The Company shall allow the Underwriters to participate in the preparation of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any

Supplementary Material that the Company is required to file or prepare under Securities Laws relating to the Offering.

(n) The Company shall ensure that at the Closing Time and any Over-Allotment Closing Time, the Company and each Subsidiary is validly existing in good standing under the laws of its jurisdiction of formation and under the laws of each jurisdiction in which it owns or leases property, or conducts business.

2. **Underwriters' Representations and Warranties and Covenants.**

The Underwriters hereby severally represent and warrant to and covenant with the Company that at least one of the Underwriters is duly qualified and registered to carry on business as securities dealers in each of the Qualifying Jurisdictions where the sale of the Offered Units requires such qualification and/or registration in a manner that permits the sale of the Offered Units on a basis described in subsection 2(a). Each of the Underwriters hereby severally (on its own behalf and not on behalf of any other Underwriters) represents and warrants to, and covenants with, the Company that:

(a) it shall offer and solicit offers for the purchase of the Offered Units in compliance with Securities Laws and the provisions of this Agreement and only from such persons and in such manner that, pursuant to Securities Laws and, subject to the prior consent of the Company, the securities laws of any other jurisdiction applicable to the offer and sale of the Offered Units under this Offering, provided that no prospectus, registration statement or similar document need be delivered or filed, other than any prescribed reports of the issue and sale of the Offered Units and the Preliminary Prospectus and Final Prospectus and, in the case of any jurisdiction other than the Qualifying Jurisdictions and the United States, no continuous disclosure obligations will be created;

(b) it shall not provide to prospective Purchasers any document or other material or information that would constitute an "offering memorandum" within the meaning of Canadian Securities Laws without the prior written consent of the Company;

(c) upon the Company obtaining the Preliminary Receipt and the Final Receipt pursuant to the Passport System and NI 44-101, it shall deliver one copy of each of the Offering Documents (other than the Preliminary Prospectus), as applicable, to each of the Purchasers;

(d) it will not offer or sell the Offered Securities in any jurisdiction other than the Qualifying Jurisdictions and the United States (unless agreed to by the Company) in accordance with the terms of this Agreement, including Schedule "B" hereto;

(e) it will refrain from advertising the Offering in (A) printed media of general and regular paid circulation, (B) radio, (C) television, or (D) telecommunication (including electronic display and the Internet) and not make use of any green sheet or other internal marketing document without the consent of the Company; and

(f) it will use its commercially reasonable efforts to complete the distribution of the Offered Units pursuant to the Final Prospectus as early as practicable and the Lead Underwriter (on

behalf of the Underwriters) shall advise the Company in writing when, in the opinion of the Underwriters, they have completed the distribution of the Offered Units and, if required for regulatory compliance purposes, promptly, and in any event, within 30 days after the Closing Date and any Over-Allotment Closing Date, provide a breakdown of the number of Offered Units distributed and proceeds received (A) in each of the Qualifying Jurisdictions, and (B) in any other jurisdiction in which the Offered Units are offered or sold.

It is agreed that no Underwriter will be liable for any act, omission, default or conduct by any other Underwriter or another Underwriter's U.S. Affiliate or any Selling Firm appointed by another Underwriter under the foregoing Section 2.

3. **Deliveries on Filing, Marketing Materials and Related Matters.**

(a) Concurrently with the filing of each of the Preliminary Prospectus and the Final Prospectus, as the case may be, the Company shall deliver, or cause to be delivered, to each of the Underwriters, a copy of each of the Preliminary Prospectus and Final Prospectus, as the case may be, signed by the Company as required by Canadian Securities Laws.

(b) The Company shall deliver without charge to the Underwriters, at those delivery points in the Qualifying Jurisdictions as the Underwriters may reasonably request, as soon as practicable and in any event in the City of Toronto no later than 12:00 p.m. (Toronto time) on the first Business Day after, and to other cities no later than the second Business Day after, each of the Preliminary Receipt and the Final Receipt as applicable, are obtained in each of the Qualifying Jurisdictions under the Passport System, and thereafter from time to time during the distribution of the Offered Units, in such cities as the Underwriters shall notify the Company, as many commercial copies of the Preliminary Prospectus, the Final Prospectus and the U.S. Memorandum (and in the event of any amendment to a Prospectus or U.S. Memorandum, such amendment) as the Underwriters may reasonably request for the purposes contemplated under Securities Laws. The Company will similarly cause to be delivered to the Underwriters, in such cities as the Underwriters may reasonably request, commercial copies of any Supplementary Material required to be delivered to Purchasers or prospective Purchasers. Each delivery of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum or any Supplementary Material will have constituted and constitute the Company's consent to the use of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material by the Underwriters for the distribution of the Offered Units in compliance with the provisions of this Agreement and Securities Laws.

(c) The Company shall deliver to the Underwriters the private placement memorandum incorporating the Prospectus prepared for use in connection with the sale of the Offered Units in the United States (the "**U.S. Memorandum**"), and, forthwith after preparation, any applicable Supplementary Material.

(d) Concurrently with the filing of the Final Prospectus with the Canadian Securities Commissions, the Company shall deliver to the Underwriters and their counsel a "long form" comfort letter dated the date of the Final Prospectus, in form and substance

satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the directors of the Company from the Company's Auditors with respect to financial and accounting information relating to the Company contained in the Final Prospectus, which letter shall be based on a review by the Company's Auditors within a cut-off date of not more than two Business Days prior to the date of the letter, which letter shall be in addition to the consent letter of the Company's Auditors addressed to the Canadian Securities Commissions.

(e) Prior to the filing of the Final Prospectus with the Canadian Securities Commissions, the Company shall deliver to the Underwriters copies of all correspondence from the CSE indicating that the applications for the listing and posting for trading on the CSE of the Unit Shares, the Warrants, the Warrant Shares and Compensation Option Shares has been approved.

(f) If applicable, the Company shall also prepare and deliver promptly to the Underwriters signed copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material, the Company shall deliver to the Underwriters, with respect to such Supplementary Material, opinions substantially similar to the opinions referred to in Section 7 and comfort letters from the Company's Auditors substantially similar to the letters referred to in Section 3(d).

(g) Delivery of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material by the Company shall constitute the representation and warranty of the Company to the Underwriters that, as at their respective dates:

(i) all information and statements (except Underwriters' Information) contained in the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum or any Supplementary Material, as the case may be, are true and correct as at the respective dates of filing, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Offered Securities as required by applicable Securities Laws;

(ii) no material fact or information (except Underwriters' Information) has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and

(iii) such documents (except Underwriters' Information) comply with the requirements of Securities Laws.

(h) During the period commencing on the date hereof and until completion of the distribution of the Offered Units, the Company will promptly provide to the Underwriters drafts of any press releases of the Company for review by the Underwriters and the Underwriters' counsel prior to issuance, and will not publish those press releases (unless otherwise required by Securities Laws) except with the prior approval of the Lead Underwriter, on behalf of the Underwriters, which approval will not be unreasonably withheld or delayed. Any press release disseminated during the period commencing hereof and until completion

of the distribution of the Offered Units shall contain the following legend: "NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES."

(i) During the distribution of the Offered Units, the Company and the Lead Underwriter shall approve in writing (prior to such time that marketing materials are provided to potential Purchasers) any marketing materials reasonably requested to be provided by the Underwriters to any potential Purchaser, such marketing materials shall comply with Securities Laws. The Company shall file a template version of such marketing materials with the Canadian Securities Commissions as soon as reasonably practicable after such marketing materials are so approved in writing by the Company and the Lead Underwriter, on behalf of the Underwriters, and in any event on or before the day such approved marketing materials are first provided to any potential Purchaser, and such filing shall constitute the Underwriters' authority to use such marketing materials in connection with the Offering. Any comparables shall be redacted from the template version in accordance with NI 44-101 prior to filing such template version with the Canadian Securities Commissions and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Canadian Securities Commissions by the Company.

(j) The Company and each of the Underwriters, on a several basis, covenant and agree:

(i) not to provide any potential Purchaser with any marketing materials unless a template version of such marketing materials has been approved in writing and filed by the Company with the Canadian Securities Regulators on or before the day such marketing materials are first provided to any potential Purchaser; and

(ii) other than the Marketing Materials (or such other materials as are required to be delivered to a potential Purchaser under Securities Laws), not to provide any potential Purchaser with any materials or information in relation to the distribution of the Offered Securities or the Company other than (A) such marketing materials that have been approved and filed in accordance with subsection 3(j)(i), (B) the Preliminary Prospectus and the Final Prospectus, and (C) any standard term sheets approved in writing by the Company and the Lead Underwriter.

4. **Material Changes.**

(a) During the period from the date hereof until the Lead Underwriter (on behalf of the Underwriters) notifies the Company of the completion of the distribution of the Offered Securities in accordance with its obligations in subsection 2(f), the Company shall promptly inform the Underwriters (and if requested by the Underwriters, confirm such notification in writing) of the full particulars of:

(i) any material change (actual, anticipated, contemplated, threatened, proposed, financial or otherwise) in the assets (including intangible assets), liabilities (contingent or otherwise), business, financial condition, affairs, operations or capital or ownership of the Company or any Subsidiary;

(ii) any material fact which has arisen or has been discovered or any new material fact that would have been required to have been stated in the Offering Documents had that fact arisen or been discovered on or prior to the date of any of the Offering Documents;

(iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained or incorporated by reference in the Offering Documents or whether any event or state of facts has occurred after the date hereof, which, in any case, is, or may be, of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents, including as a result of any of the Offering Documents containing or incorporating by reference therein an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not false or not misleading in the light of the circumstances in which it was made, or which could result in any of the Offering Documents not complying with the Securities Laws; or

(iv) any notice by any governmental, judicial or regulatory authority requesting any material information, or meeting or hearing, relating to the Company or any Subsidiary or the Offering.

(b) The Company covenants to comply with section 57 of the Ontario Act and with the comparable provisions of the other Canadian Securities Laws, and the Company will prepare and file promptly any Supplementary Material which may be necessary.

(c) During the period commencing on the date hereof until the Underwriters notify the Company of the completion of the distribution of the Offered Securities, the Company will promptly inform the Underwriters in writing of the full particulars of:

(i) any request of any Securities Commission for any Supplementary Material or for any additional information in respect of the Offering or the Company;

(ii) the receipt by the Company of any material communication, whether written or oral, from any Securities Commission, the CSE, or any other competent authority, relating to the Preliminary Prospectus, the Prospectus, the distribution of the Offered Securities or the Company;

(iii) any notice or other correspondence received by the Company from any Governmental Authority and any requests from such bodies for information, a meeting or a hearing relating to the Company, any Subsidiary, the Offering, the issue and sale of the Offered Securities or any other event or state of affairs that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or

(iv) the issuance by any Securities Commission, the CSE, OTCQX or any other competent authority, including any other Governmental Authority, of any order to

cease or suspend trading or distribution of any securities of the Company (including the Offered Units, Unit Shares, Warrants, Warrant Shares, Compensation Options and Compensation Option Shares) or of the institution, threat of institution of any proceedings for that purpose or any notice of investigation that could potentially result in an order to cease or suspend trading or distribution of any securities of the Company (including the Offered Units, Unit Shares, Warrants, Warrant Shares, Compensation Options and Compensation Option Shares).

(d) In addition to the provisions of subsections 4(a), 4(b) and 4(c), the Company shall in good faith discuss with the Underwriters any change, event or fact contemplated in subsections 4(a), 4(b) and 4(c) which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Underwriters under subsection 4(a) and shall consult with the Underwriters with respect to the form and content of any Supplementary Material proposed to be filed by the Company, it being understood and agreed that no such Supplementary Material shall be filed with any securities regulatory authority prior to the review thereof by the Underwriters and the Underwriters' counsel, acting reasonably and without delay (unless otherwise required by Securities Laws).

(e) If during the period of distribution of the Offered Units there shall be any change in Securities Laws which, in the opinion of the Underwriters, acting reasonably, requires the preparation or filing of any Supplementary Material, upon written notice from the Underwriters, the Company shall, to the satisfaction of the Underwriters, acting reasonably, promptly prepare and file any such Supplementary Material with the appropriate securities regulatory authority where such filing is required under Securities Laws.

5. **Representations and Warranties of the Company.** The Company represents and warrants to the Underwriters, and acknowledges that each of them is relying upon such representations and warranties in connection with the completion of the Offering, that as of the date hereof:

(a) each of the Company and the Subsidiaries: (A) is a corporation or entity duly incorporated, formed, continued or amalgamated, as applicable, and validly existing in good standing under the laws of the jurisdiction in which it was incorporated, formed, continued or amalgamated, as the case may be; (B) has all requisite corporate power and authority and is duly qualified and holds all necessary permits, licences and authorizations necessary or required to carry on its business as now conducted and to own, lease or operate its properties (including the Leased Premises and Owned Real Property) and assets; (C) where required, has been duly qualified as an extra-provincial corporation or foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts business; and (D) no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;

(b) the Company has all requisite corporate power, authority and capacity to enter into each of the Transaction Documents and to perform the transactions contemplated herein and therein, including, without limitation, to issue the Offered Securities and the Compensation Options and all securities issuable upon exercise of such securities;

(c) Schedule "A" sets out each Subsidiary of the Company and each other entity controlled by the Company, directly or indirectly, and the Company's direct and indirect holdings in each such subsidiaries and entities are as set out on Schedule "A". The Company beneficially owns, directly or indirectly, the percentage indicated therein of the issued and outstanding shares or other securities in the capital of the Subsidiaries free and clear of all Liens, all of such shares or other securities have been duly authorized and validly issued and are outstanding as fully paid securities and subject to no further call for contribution and no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from the Company or the Subsidiaries of any interest in any of such securities or for the issue or allotment of any unissued securities in the capital of any of the Subsidiaries or any other security convertible into or exchangeable for any such securities;

(d) each of the Company, the Subsidiaries and, to the knowledge of the Company, the Washington Entities has conducted and is conducting its business in compliance in all material respects with all applicable laws and regulations of each jurisdiction in which it carries on business, including Cannabis Laws (other than the Controlled Substances Act (CSA) (21 U.S.C. 811) and other federal laws in the United States that make cannabis and cannabis-related activities illegal)), and each of the Company, the Subsidiaries and, to the knowledge of the Company, the Washington Entities holds all material requisite licences, registrations, qualifications, permits, Environmental Permits and consents necessary or appropriate for carrying on its business as currently carried on and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects. Without limiting the generality of the foregoing and other than as disclosed in the Offering Documents with respect to NWCS, neither Company nor any Subsidiary nor, to the knowledge of the Company, the Washington Entities has received a written notice of material noncompliance, nor does the Company know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of material non-compliance with any such laws, regulations or permits;

(e) the Company is in compliance in all material respects with all of the rules, policies and requirements of the CSE and OTCQX and the Class A Shares are currently listed on the CSE and quoted on OTCQX;

(f) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened by any regulatory authority;

(g) the Company is currently a "reporting issuer" in the provinces of British Columbia, Alberta and Ontario and is in compliance, in all material respects, with all of its obligations as a reporting issuer, is current with all filings required to be made by it under Canadian Securities Laws and there is no material change relating to the Company which has occurred and with respect to which the requisite news release or material change report has not been filed with the Securities Commissions, except to the extent that the Offering constitutes a material change;

(h) the Company has not filed any confidential material change report with the Securities Commissions since August 1, 2019 which continues to remain confidential;

(i) the Company is qualified under NI 44-101 to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to Canadian Securities Laws;

(j) the Company has not completed any "significant acquisition" within the meaning of NI 51-102) and is not proposing any "probable acquisitions" (within the meaning of such term under NI 44-101F1) that would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Prospectus or the filing of a business acquisition report pursuant to Canadian Securities Laws;

(k) neither the Company nor its Subsidiaries has any investment in any person or any agreement, option or commitment to acquire any such investment, except as disclosed in the Offering Documents;

(l) each of the Company and the Subsidiaries is the absolute legal and beneficial owner of, and has good and marketable title to, all of the Owned Real Property and its assets and no other assets are necessary for the conduct of the business of the Company and the Subsidiaries as currently conducted. Any and all of the agreements and other documents and instruments pursuant to which each of the Company or the Subsidiaries holds the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents and instruments in full force and effect, enforceable in accordance with the terms thereof, and all material leases, licences and other agreements pursuant to which the Company or any Subsidiary derives the interests thereof in such property are in good standing. Other than as set out in the Disclosure Documents in respect of existing loan arrangements, none of the properties (or any interest in, or right to earn an interest in, any property) of the Company or any Subsidiary is subject to any right of first refusal or purchase or acquisition right and neither the Company nor any Subsidiary has a responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;

(m) other than as disclosed in the Offering Documents with respect to NWCS, no legal or governmental proceedings or inquiries are pending to which the Company, any Subsidiary or, to the knowledge of the Company, any of the Washington Entities is a party or to which the property thereof is subject that would result in the revocation or modification of any certificate, authority, permit or licence necessary to conduct the business now owned or operated by the Company, any Subsidiary or any of the Washington Entities and, to the knowledge of the Company, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to the Company, any Subsidiary or any of the Washington Entities or with respect to the properties or assets thereof;

(n) other than as disclosed in the Offering Documents with respect to NWCS, there are no material actions, suits, judgments, investigations or proceedings outstanding or, to the best of the Company's knowledge, pending or threatened against or affecting the Company, any Subsidiary, or the directors, officers or employees of the Company, the Subsidiaries at law

or in equity or before or by any commission, board, bureau or agency and, to the best of the Company's knowledge, there is no basis therefor and neither the Company nor any Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may have a Material Adverse Effect or that would materially adversely affect the ability of the Company to perform its obligations under the Transaction Documents;

(o) all of the Material Agreements of the Company and of the Subsidiaries have been disclosed in the Disclosure Documents and each is valid, subsisting, in good standing in all material respects and in full force and effect, enforceable in accordance with the terms thereof. The Company and the Subsidiaries have performed all material obligations (including payment obligations) in a timely manner under, and are in material compliance with, all terms, conditions and covenants (including all financial maintenance covenants) contained in each Material Agreement;

(p) none of the Company or its Subsidiaries is in violation of its respective constating documents or in default in any material respect in the performance or observance of any material obligation, Material Agreement, covenant (including all financial maintenance covenants) or condition contained in any contract, Debt Instrument, indenture, trust deed, mortgage, loan agreement, note, lease, licence or other agreement or instrument to which it is a party or by which it or its property or assets may be bound;

(q) to the knowledge of the Company, no counterparty to any material obligation, Material Agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease, Debt Instrument or other agreement or instrument to which the Company or any Subsidiary is a party is in default in the performance or observance thereof;

(r) there are no judgments against the Company or any Subsidiary which are unsatisfied, nor are there any consent decrees or injunctions to which the Company or any Subsidiary is subject;

(s) neither of the Company, its Subsidiaries nor, to the knowledge of the Company, the Washington Entities, has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any Lien or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it;

(t) at the Closing Time and any Over-Allotment Closing Time, all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Company under Securities Laws and the policies of the CSE necessary for the execution and delivery of the Transaction Documents and the creation, issuance and sale, as applicable, of the Offered Securities and the Compensation Options and the securities

issuable upon exercise thereof, and the consummation of the transactions contemplated thereby, will have been made or obtained, as applicable (other than the filing of post-Closing reports required under Securities Laws within the prescribed time periods, the filing of standard documents with the CSE, which documents shall be filed as soon as practicable after the Closing Date and the Over-Allotment Closing Date and, in any event, within 10 calendar days of the Closing Date, the Over-Allotment Closing Date or within such other deadline imposed by Canadian Securities Laws or the policies of the CSE);

(u) the Offered Securities, the Compensation Options, the Warrant Shares and the Compensation Option Shares have been authorized and reserved and allotted for issuance, as applicable;

(v) at the Closing Time and any Over-Allotment Closing Time, the Offered Securities and the Compensation Options will be duly and validly issued and created, and in the case of the Unit Shares will be issued as fully paid and non-assessable Class A Shares, on payment of the purchase price therefor;

(w) upon the due exercise of the Compensation Options in accordance with the provisions thereof, the Compensation Option Shares will be duly and validly issued as fully paid and non-assessable Class A Shares;

(x) upon the due exercise of the Warrants in accordance with the provisions thereof, the Warrant Shares issuable upon the exercise thereof will be duly and validly issued as fully paid and non-assessable Class A Shares;

(y) the execution and delivery of each of the Transaction Documents, the performance by the Company of its obligations hereunder or thereunder, the issue and sale of the Offered Securities and the issue of the Compensation Options hereunder and the consummation of the transactions contemplated in this Agreement, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (whether after notice or lapse of time or both): (A) any applicable laws of British Columbia and the federal laws of Canada; (B) the constating documents, by-laws or resolutions of the Company which are in effect at the date hereof; (C) any Material Agreement, contract, agreement, instrument, lease or other document to which the Company is a party or by which it is bound which, either separately or in the aggregate, may result in a Material Adverse Effect; or (D) any judgment, decree or order binding the Company or the property or assets of the Company;

(z) at the Closing Time and any Over-Allotment Closing Time, the Company shall have duly authorized and (other than the Warrant Share certificates and the Compensation Option Share certificates,) executed and delivered the Transaction Documents and upon such execution and delivery (and subsequent execution and delivery of the Warrant Share certificates and Compensation Option Share certificates) each shall constitute a valid and binding obligation of such Company and each shall be enforceable against such Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when

equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

(aa) all necessary notices and filings have been made with, and all necessary filings have been made by the Company with the CSE to ensure that the Unit Shares, Warrants, Warrant Shares and Compensation Option Shares will be listed and posted for trading on the CSE upon their issuance other than the filing of certain standard documents with the CSE which documents shall be filed as soon as possible after the Closing Date and in any event within any deadline imposed by the CSE;

(bb) the Financial Statements (including the notes thereto) contained or incorporated by reference in the Preliminary Prospectus, and the consolidated Financial Statements (including the notes thereto) that will be contained or incorporated by reference in the Final Prospectus will, (i) present fairly, in all material respects, the financial position, results of operations, cash flows and the assets and liabilities of the Company, in each case on a consolidated basis, for the periods ended on, and as at, the dates indicated therein, and (ii) have been prepared in accordance with IFRS consistently applied throughout the periods involved and applicable Canadian Securities Laws;

(cc) the Financial Data contained or incorporated by reference in the Preliminary Prospectus is, and the Financial Data that will be contained or incorporated by reference in the Final Prospectus or any Supplementary Material will be, presented fairly in all material respects, and such Financial Data contains or will contain, as the case may be, no misrepresentation and was or will be, as the case may be, compiled on a basis consistent with that of the audited or unaudited, as applicable, consolidated financial statements incorporated by reference in the Final Prospectus from which they were derived;

(dd) there are no material liabilities of the Company or the Subsidiaries whether direct, indirect, absolute, contingent or otherwise required to be disclosed in the Financial Statements under IFRS which are not disclosed or reflected in the Financial Statements;

(ee) there are no off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Company or the Subsidiaries with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, changes in financial condition, results of operations, earnings, cash flow, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Company or any Subsidiary or that would reasonably be expected to be material to an investor in making a decision to purchase the Offered Securities;

(ff) all forward-looking information and statements of the Company contained in the Offering Documents and the assumptions underlying such information and statements, subject to any qualifications contained therein, are reasonable in the circumstances as at the date on which such assumptions were made;

(gg) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, sales taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, reassessments, deductions, charges or

withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company and the Subsidiaries have been paid or accrued. All tax returns, declarations, remittances and filings required to be filed by the Company and the Subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading, other than any tax returns with immaterial amounts owing. To the knowledge of the Company, no material examination of any tax return of the Company is currently in progress and there are no material issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Company or the Subsidiaries

(hh) to the knowledge of the Company, the Company's Auditors are independent public accountants as required under Canadian Securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Company and such auditors or, to the knowledge of the Company, any former auditors of the Company;

(ii) the responsibilities and composition of the Company's audit committee comply with NI 52-110;

(jj) the Company maintains a system of internal accounting controls which is sufficient to provide reasonable assurance that, in all material respects:

(i) transactions are executed in accordance with management's general or specific authorization;

(ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with international financial reporting standards and to maintain accountability for assets; and

(iii) access to assets is permitted only in accordance with management's general or specific authorization;

(kk) other than as disclosed in the Financial Statements, the Company is not party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument and does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with the Company (as such term is defined in the Tax Act). Except as disclosed in the Disclosure Documents, the Company has not guaranteed the obligations of any person;

(ll) during the previous 12 months, the Company has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Class A Shares or securities or agreed to do any of the foregoing;

(mm) the assets of each of the Company and the Subsidiaries and their businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses operating in the cannabis sector, and such coverage is in full force and effect, and none of the Company or the Subsidiaries has breached the terms of any policies in respect thereof or failed to promptly give any notice or present any material claim thereunder;

(nn) each of the Company and its Subsidiaries either owns or has a licence to use all proprietary rights provided in law and at equity to all patents, trademarks, copyrights, industrial designs, software, trade secrets, know-how, concepts, information and other intellectual and industrial property (collectively, "**Intellectual Property**") necessary to permit the Company and the Subsidiaries to conduct their respective businesses as currently conducted. None of the Company or the Subsidiaries has received any notice nor does the Company or any Subsidiary have knowledge of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of the Company or the Subsidiaries therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy would have a Material Adverse Effect;

(oo) the Company and each of the Subsidiaries has taken all reasonable steps to protect its owned Intellectual Property in those jurisdictions where, in the reasonable opinion of the Company, the Company and/or each Subsidiary carries on a sufficient business to justify such filings;

(pp) to the knowledge of the Company, there are no material restrictions on the ability of the Company or any of the Subsidiaries to use or exploit all rights in the Intellectual Property required in the ordinary course of the business of the Company or the Subsidiaries, as applicable;

(qq) neither the Company nor any Subsidiary has received any notice or claim (whether written or oral) challenging its ownership or right to use of any Intellectual Property or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto;

(rr) none of the rights of the Company or any Subsidiary in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;

(ss) all registrations of Intellectual Property are in good standing and are recorded in the name of the Company or one of the Subsidiaries, or in the name of the parties that have licensed that Intellectual Property to the Company or the Subsidiaries, as applicable, in the appropriate offices to preserve the rights thereto. All such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements. No registration of Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained;

(tt) other than disclosed in the Disclosure Documents, none of the directors, officers or employees of the Company or the Subsidiaries, any person who owns, directly or indirectly, more than 10% of any class of securities of the Company or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Company which, as the case may be, materially affects, is material to or will materially affect the Company or the Subsidiaries;

(uu) the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company or the Subsidiaries;

(vv) other than as set out in the Disclosure Documents in respect of existing loan arrangements, none of the Company or any of the Subsidiaries is a party to, bound by or, to the knowledge of the Company, affected by any commitment or agreement containing any covenant which expressly and materially limits the freedom of the Company or the Subsidiaries to compete in any line of business, transfer or move any of its respective assets or operations or which materially adversely affects the business practices, operations or condition of the Company or the Subsidiaries;

(ww) each of the Company and its Subsidiaries and, to the knowledge of the Company, the Washington Entities, is currently in compliance, in all material respects, with all Environmental Laws, including all material reporting and monitoring requirements thereunder, and there are no pending or, to the knowledge of the Company, threatened material administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws.

(xx) the authorized capital of the Company consists of an unlimited number of Class A Shares, an unlimited number of Class B Subordinate Proportionate Voting Shares and an unlimited number of Class C Multiple Voting Shares of which, as at the date hereof (prior to the completion of the Offering), 359,323,160 Class A Shares, 1,856,735 Class B Subordinate Proportionate Voting Shares and 1,276,208 Class C Multiple Voting Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company are outstanding. Other than as disclosed in the Financial Statements (and Disclosure Documents and publicly available filings of the Company available on the CSE website) and other than stock options issued under the Company's stock option plan, there are no outstanding rights, warrants, options, convertible debt or any other securities or rights capable of being converted into, or exchanged or exercised for, any Class A Shares;

(yy) Alliance Trust Company, at its principal offices in Calgary, Alberta, has been duly appointed as registrar and transfer agent for the Class A Shares;

(zz) the Warrant Agent will be, as of the Closing Date, duly appointed as Warrant Agent under the Warrant Indenture;

(aaa) the issue of the Offered Securities and the Compensation Options and issuance and delivery of the Unit Shares, Warrants, Warrant Shares and Compensation Option Shares, as applicable, will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Company or to which the Company is subject that has not been waived. No holder of outstanding shares in the capital of the Company is at the Closing Time or will be following the Closing Time entitled to any pre-emptive or any similar rights to subscribe for any Class A Shares or other securities of the Company;

(bbb) other than as publicly disclosed or publicly available, the Company is not aware of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company presently in force or, to its knowledge, proposed to be brought into force, or any pending or contemplated change to any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company or any Subsidiary presently in force, that the Company anticipates the Company or any Subsidiary will be unable to comply with or which could reasonably be expected to materially adversely affect the business of the Company or any Subsidiary or the business environment or legal environment under which such entity operates;

(ccc) with respect to each of the Leased Premises, the Company and the Subsidiaries, as applicable, occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises as currently used by the Company and the Subsidiaries, and each of the leases pursuant to which the Company or any Subsidiary, as applicable, occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein by the Company, will not afford any of the parties to such leases or any other person the right to terminate such leases or result in any additional or more onerous obligations under such leases;

(ddd) no real property is owned by the Company or the Subsidiaries other than the Owned Real Property;

(eee) each of the Company and the Subsidiaries is in compliance in all material respects with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and to the Company's knowledge has not and is not engaged in any unfair labour practice;

(fff) the Company has made available to the Underwriters all material information concerning the Company and the Subsidiaries and no material facts have been intentionally been omitted;

(ggg) the Company has not withheld from the Underwriters any material fact relating to the Company, any Subsidiary or to the Offering;

(hhh) the minute books and corporate records of the Company and the Subsidiaries for the period from incorporation to the date hereof made available to the Underwriters contain copies of

all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders and the directors (or any committee thereof) thereof;

(iii) other than the Underwriters, there is no person acting or purporting to act at the request or on behalf of the Company that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement;

(jjj) the Company has provided the Underwriters with copies of the licences and all related documents and material correspondence issued pursuant to the Cannabis Laws or any predecessor legislation to the Company, any Subsidiary or, to the extent that they are in the possession of the Company, any of the Washington Entities (collectively, the "**Licences**"). The Company, its Subsidiaries and, to the knowledge of the Company, the Washington Entities are, and at all times have been, in compliance in all material respects with the terms and conditions of all such Licences and all other licences required in connection with their respective businesses. The Company does not anticipate any material variations or difficulties in obtaining, maintaining or renewing such Licences. The transactions contemplated herein (including the proposed use of proceeds from the Offering) will not have any adverse impact on the Licences or require the Company, any Subsidiary or, to the knowledge of the Company, any of the Washington Entities or any entity in which the Company has an interest to obtain any new licence under the Cannabis Laws or any other applicable law;

(kkk) there are no outstanding notices or communications from any customer or any applicable regulatory authority in the United States, Canada or abroad alleging a defect or claim in respect of any products supplied or sold by the Company or any Subsidiary to a customer that is material to the Company or any Subsidiary and, to the Company's knowledge, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications that are required to be made by the Company or any Subsidiary in respect of any products supplied or sold by the Company, any Subsidiary that is material to the Company or any Subsidiary;

(lll) all product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Company and the Subsidiaries in connection with their business is being conducted in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects;

(mmm) each of the Company and its Subsidiaries has security measures and safeguards in place to protect personal information it collects from customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Company and the Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and none has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner.

The Company and the Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse;

(nnn) neither the Company nor its Subsidiaries nor any director, officer, employee, consultant, representative, affiliate or agent of the Company or its Subsidiaries, has: (i) violated the *Corruption of Foreign Public Officials Act* (Canada) (the "**CFPOA**") or the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, or the rules and regulations promulgated thereunder (the "**FCPA**") or other applicable anti-corruption laws, or (ii) offered, paid, promised to pay or authorized the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA, the CFPOA or other applicable anti-corruption law;

(ooo) the Company and its Subsidiaries have conducted their businesses in compliance with the FCPA, the CFPOA and other applicable anti-corruption laws. Neither the Company nor its Subsidiaries nor any director, officer, employee, consultant, representative, affiliate or agent of the Company or its Subsidiaries has: (i) conducted or initiated any review, audit, or internal investigation that concluded the Company, any Subsidiary, or any director, officer, employee, consultant, representative, affiliate or agent of the Company or any Subsidiary violated such laws or committed any material wrongdoing; or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to noncompliance with any such laws, or received any notice, request, or citation from any person alleging non-compliance with any such laws;

(ppp) neither the Company nor its Subsidiaries, nor any director, officer, employee, consultant, representative, affiliate or agent of the Company or any Subsidiary, is a person ("**Sanctioned Person**") currently the target of any sanctions administered or enforced by the United States government, including, the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), the Financial Transactions Reports Analysis Centre of Canada or other relevant sanctions authority (collectively, "**Sanctions**"), and the Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any Sanctioned Person, to fund any activities of or business with any Sanctioned Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions or in any other manner that will result in a violation by any Sanctioned Person (including any Sanctioned Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions;

(qqq) the operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with any applicable financial recordkeeping and reporting requirements of the *Currency and Foreign Transactions Reporting Act of 1970*, as amended, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and international money laundering statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental

Authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or Governmental Authority, authority or body or any arbitrator involving the Company or its Subsidiaries, with respect to the Money Laundering Laws is pending, or, to the knowledge of the Company, threatened;

(rrr) to the knowledge of the Company, other than the Company, there is no person that is or will be entitled to demand the proceeds of this Offering under the terms of any agreement or instrument to which the Company is party (including any Debt Instrument or Material Agreement) or otherwise;

(sss) the attributes of the Offered Securities conform, in all material respects, with the description thereof contained under the heading "Description of Securities Being Distributed" in the Offering Documents;

(ttt) no Offering Document contains a misrepresentation;

(uuu) the Company is not, and as a result of the sale of the Offered Securities contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended;

(vvv) no action, suit or proceeding by or before any U.S. court or governmental agency, authority or body or any arbitrator involving the Company or its Subsidiaries with respect to U.S. federal or state criminal laws is pending or threatened;

(www) the Owned Real Property and Leased Premises used for the cultivation or processing of cannabis or related products and research and development activities comply in all material respects with applicable good practices, processes, standards and procedures as required by any applicable Governmental Authority;

(xxx) as of the date hereof, the Company has not been advised by or received notice from a Governmental Authority that the Company or any of its Subsidiaries is deemed to be a "true party of interest" (as defined in regulations of the Washington Liquor and Cannabis Board) of any holder of any Washington State cannabis license;

(yyy) neither the Company nor any of its Subsidiaries have agreed to recognize any union or other collective bargaining representative, nor has any other union or other collective bargaining representative been certified as the exclusive bargaining representative of any of their employees or consultants, and they are not a party to, or bound by, any collective bargaining agreement or any other labour contract applicable to any employees. To the best of the knowledge of the Company, no material union organizational campaign or representation petitions are currently pending with respect to any employees of the Company or the Subsidiaries. There is no material labour strike or labour dispute, slowdown, lockout or stoppage actually pending or to the best of the knowledge of the Company, threatened against or affecting the Company or the Subsidiaries, and the Company and the Subsidiaries have not experienced any material labour strikes or labour disputes, slowdowns, lockouts or stoppages within the last three years;

(zzz) no supplier (or group of suppliers) that was or is significant to the Company or its Subsidiaries, has given the Company or its Subsidiaries notice or, to the Company's knowledge, has taken any other action that has given the Company or its Subsidiaries any significant reason to believe that such supplier (or group of suppliers) will cease to supply, restrict the amount supplied, or adversely change its prices or terms to the Company of any products or services that are material to the Company or its Subsidiaries;

(aaaa) as described in more details in the Prospectus under the heading "Certain U.S. Federal Income Tax Considerations to Non-U.S. Holders", the Company believes that, pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the "Code" even though it is organized as a Canadian corporation, the Company should be treated as a U.S. domestic corporation for U.S. federal income tax purposes; and

(bbbb) the Company does not believe that it is currently and does not anticipate becoming in the foreseeable future, a "United States real property holding corporation" as defined in Section 897(c) of the Code.

6. **Closing Deliveries.** The closing of the purchase and sale of the Offered Securities shall be completed by electronic means at the Closing Time on the Closing Date or at such other times or times or on such other date or dates as the Company and the Lead Underwriter, on behalf of the Underwriters, may agree upon in writing.

At the Closing Time:

(i) the Company will deliver to Beacon, or as Beacon may direct, (i) via electronic deposit, the Unit Shares and the Warrants comprising the Offered Units, in each case registered in the name of "CDS & Co." or in such other name or names as Beacon may notify the Company in writing of not less than two Business Days prior to the Closing Time for deposit into the electronic book based system for clearing depository and entitlement services operated by CDS, or will be made and settled in CDS under the non-certificated inventory system, and (ii) all further documentation as may be contemplated in this Agreement or as counsel to the Underwriters may reasonably require; against payment by the Underwriters to the Company (in accordance with their respective entitlements) of the aggregate Offering Price for the Offered Units being issued and sold under this Agreement, net of the Underwriters' Commission and the Underwriters' expenses contemplated in Section 14 of this Agreement, by certified cheque, bank draft or wire transfer payable to or as directed by the Company not less than two Business Days prior to the Closing Time; and

(ii) the Company will deliver to Beacon, on behalf of the Underwriters, certificate(s) representing the (i) aggregate number of Unit Shares and Warrants in respect of sales to accredited investors in the United States, and (ii) aggregate number of Compensation Options issuable pursuant to the Offering.

7. **Underwriters' Obligation to Purchase.** The obligation of the Underwriters under this Agreement to purchase the Offered Securities at the Closing Time and at any Over-Allotment Closing shall be subject to the satisfaction of each of the following conditions (it being understood that the Underwriters may waive in whole or in part or extend the time for compliance with any of such terms and conditions without

prejudice to their rights in respect of any other of the following terms and conditions or any other or subsequent breach or non-compliance of the Company, provided that to be binding on the Underwriters any such waiver or extension must be in writing and signed by each of them):

(a) the Underwriters shall have received an opinion addressed to the Underwriters and the Underwriters' counsel, dated as of the Closing Date and subject to customary qualifications, of Fasken Martineau DuMoulin LLP, Canadian counsel to the Company, or from local counsel in the Qualifying Jurisdictions (it being understood that such counsel may rely to the extent appropriate in the circumstances, (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company and on certificates of the Transfer Agent as to the issued capital of the Company; and (ii) as to matters of fact not independently established, on certificates of the Company's Auditors or a public official) with respect to the following matters:

(i) that the Company is a "reporting issuer" under Canadian Securities Laws in each of the Qualifying Jurisdictions and it is not listed as in default of applicable Canadian Securities Laws in any of the Qualifying Jurisdictions which maintain such a list;

(ii) as to the incorporation and valid existence of the Company;

(iii) as to the authorized and issued capital of the Company;

(iv) that the Company has the corporate power and capacity to own or lease its properties and assets, to carry on its business as it is currently conducted, to own or lease its properties and assets as described in the Prospectus, and to execute, deliver and perform its obligations under the Transaction Documents, and to issue and sell the securities as contemplated by this Agreement;

(v) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Transaction Documents and the performance of the Company's obligations hereunder and thereunder and the issuance of the securities as contemplated by this Agreement;

(vi) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material and the filing of such documents, as applicable, under Canadian Securities Laws;

(vii) that the Company has duly authorized, executed and delivered the Transaction Documents and each of the Transaction Documents constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to appropriate qualifications that are customary of an offering of this nature;

(viii) that the execution and delivery of the Transaction Documents, the performance by the Company of its obligations hereunder and thereunder and the issuance and sale

of the Offered Securities and the Compensation Options and the consummation by it of the transactions contemplated hereby and thereby does not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) any laws of British Columbia and the federal laws of Canada of general application to the Company; (B) the resolutions of the board of directors or shareholders of the Company; or (C) the constating documents of the Company;

(ix) that the Unit Shares, Warrants and Compensation Options have been duly and validly created and issued;

(x) that the Unit Shares have been validly issued as fully paid and non-assessable shares in the capital of the Company;

(xi) that the Warrant Shares have been authorized and allotted for issuance and, upon the issuance of the Warrant Shares following due exercise of the Warrants in accordance with the terms thereof, the Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;

(xii) that the Compensation Option Shares have been authorized and allotted for issuance and, upon the issuance of the Compensation Option Shares following due exercise of the Compensation Options in accordance with the terms thereof, the Compensation Option Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;

(xiii) that the Over-Allotment Option has been duly and validly authorized and granted by the Company and the Additional Shares and Additional Warrants issuable upon the exercise of the Over-Allotment Option have been duly and validly created, allotted and reserved for issuance by the Company and, upon the exercise of the Over-Allotment Option including receipt by the Company of payment in full therefor, the Additional Shares and the Additional Warrants will be duly and validly created, authorized, issued and outstanding and the Additional Shares will be fully paid and non-assessable shares;

(xiv) that all necessary approvals, permits, consents, orders and authorizations have been obtained, all necessary documents have been filed, all necessary proceedings have been taken and fulfilled under Canadian Securities Laws of the Qualifying Jurisdictions to qualify the distribution of the Offered Securities in each of the Qualifying Jurisdictions through investment dealers duly and properly registered under the applicable laws of each of the Qualifying Jurisdictions who have complied with the relevant provisions of such laws and the terms of their registration;

(xv) subject to the qualifications, assumptions, limitations and understandings set out therein, the statements set out in the Final Prospectus under the headings “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations” in so far as they purport to describe the provisions of the laws

referred to therein are a fair and accurate summary of the matters discussed therein as of the date of the Final Prospectus;

(xvi) that the attributes of the Offered Securities and the Compensation Options conform in all material respects with the description thereof contained in the Final Prospectus;

(xvii) that the form of certificate representing the Warrants and the Compensation Options have been duly approved and adopted by the Company and complies in all material respects with the constating documents of the Company, the BCBCA and the CSE policies;

(xviii) that Alliance Trust Company at its principal offices in Calgary, Alberta has been duly appointed as registrar and transfer agent for the Class A Shares;

(xix) that the Warrant Agent will be, as of the Closing Date, duly appointed as Warrant Agent under the Warrant Indenture;

(xx) that the Unit Shares, the Warrants, the Warrant Shares and the Compensation Option Shares, have been approved for listing on the CSE; and

(xxi) as to such other matters as may reasonably be requested by the Underwriters, in a form acceptable to the Underwriters, acting reasonably;

(b) the Underwriters shall have received, at the Closing Time, a legal opinion dated the Closing Date, addressed to the Underwriters and the Underwriters' counsel, in form and substance acceptable to the Underwriters, from counsel to each Subsidiary, with respect to the following matters: (i) the incorporation and subsistence in good standing of the Subsidiary; (ii) the corporate power, capacity and authority of the Subsidiary to carry on its business as presently carried on and to own, lease and operate its properties and assets; (iii) the authorized and issued capital of the Subsidiary; and (iv) the ownership of the issued and outstanding securities of the Subsidiary;

(c) if any Offered Units are sold in the United States, the Underwriters shall have received, at the Closing Time, a legal opinion dated the Closing Date, to be addressed to the Underwriters and the Underwriters' counsel, in form and substance acceptable to the Underwriters, of Dorsey & Whitney LLP, United States legal counsel to the Company (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of Company officers, the Underwriters, public and exchange officials or the Company's Auditors or Transfer Agent), to the effect that the offer and sale of the Offered Securities in the United States and the issuance of the Unit Shares and Warrants thereunder are not required to be registered under the U.S. Securities Act, provided such offers and sales are made in accordance with Schedule "B" hereto;

(d) the Underwriters shall have received regulatory opinions from the Company's regulatory counsel addressed to the Underwriters limited to each of the Company and the applicable Subsidiaries being in compliance with applicable state cannabis laws and possessing all

licenses, permits, authorizations, certifications, consents and orders necessary to conduct its business as described in the Final Prospectus, such opinions to be in form and substance, acceptable to the Underwriters and their legal counsel, acting reasonably;

(e) the Underwriters shall have received a certificate of status (or the equivalent thereof pursuant to the relevant governing legislation) dated within one Business Day prior to the Closing Date from the Company and each Subsidiary;

(f) the Underwriters shall have received a certificate from the Company, dated as of the Closing Date and addressed to the Underwriters, signed by an officer of such person with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to the Offering Documents and the Transaction Documents, and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers, and such other matters as the Underwriters may reasonably request;

(g) the Underwriters shall have received a certificate, dated as of the Closing Date, of the Chief Executive Officer and the Chief Financial Officer of the Company (or such other officer or officers of the Company acceptable to the Underwriters, acting reasonably), to the effect that, to the best of their knowledge, information and belief, after due enquiry, that:

(i) the representations and warranties of the Company in this Agreement are true and correct in all material respects (other than those that are qualified as to materiality or Material Adverse Effect, which shall be true and correct in all respects) as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement, and the Company has performed in all material respects all covenants and agreements and satisfied in all material respects all conditions on its part to be performed or satisfied at or prior to the Closing Time;

(ii) no order, ruling or determination having the effect of suspending the sale or ceasing, suspending or restricting the trading of the Class A Shares or other securities of the Company, or the Unit Shares and Warrants to be issued and sold by the Company in the Qualifying Jurisdictions or the United States has been issued or made by any stock exchange, securities commission or regulatory authority and is continuing in effect and no proceedings, investigations or enquiries for that purpose have been instituted or are pending or threatened; and

(iii) since the beginning of the current financial year of the Company, there has been no adverse change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company and the Subsidiaries (taken as a whole), other than as disclosed in the Offering Documents;

(h) the Underwriters shall have received the "long form" comfort letter delivered pursuant to subsection 3(c) and a bring-down comfort letter dated as of the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, from the Company's Auditors confirming the continued accuracy of the comfort letter to be delivered to the Underwriters pursuant to subsection 3(c) with such changes as may be necessary to bring

the information in such letter forward to a date not more than two Business Days prior to the Closing Date, which changes shall be acceptable to the Underwriters, acting reasonably;

(i) the Underwriters shall have received lock-up agreements duly executed by the directors, officers and Principal Securityholders of the Company providing that, for a period of 90 days following the Closing Date, such persons or companies will not, directly or indirectly, offer, sell, dispose of or otherwise monetize the economic value of any securities in the Company beneficially owned by such shareholder, without the prior written consent of the Lead Underwriter, subject to the following exceptions: (i) if the Company receives an offer, which has not been withdrawn, to enter into a transaction or arrangement, or proposed transaction or arrangement, pursuant to which, if entered into or completed substantially in accordance with its terms, would result in a change of control of the Company, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buyback, securities issue, reverse takeover, dual-listed company structure or other synthetic merger, transaction or arrangement; (ii) in respect of sales to affiliates of such shareholder; and (iii) as a result of the death of any individual shareholder. The definitive terms of such lock-up agreement shall be negotiated between the Company and the Lead Underwriter in good faith and contain customary provisions;

(j) the Underwriters shall have received satisfactory evidence that all requisite regulatory approvals and consents have been obtained by the Company in order to complete the Offering and that the Company has obtained all necessary approvals for the issuance of the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options and the Compensation Option Shares, and the listing of the Unit Shares, Warrants, Warrant Shares and Compensation Option Shares, on the CSE, subject only to the standard listing conditions;

(k) the Underwriters shall have received a certificate from the Transfer Agent as to the number of Class A Shares issued and outstanding as at a date no more than two Business Days prior to the Closing Date;

(l) the representations and warranties of the Company contained in this Agreement will be true and correct in all material respects (except for those that are qualified by materiality or Material Adverse Effect which shall be true and correct in all respects) at and as of the Closing Time on the Closing Date, and, if applicable, the closing date of the Over-Allotment Option, as if such representations and warranties were made at and as of such time and all agreements, covenants and conditions required by this Agreement to be performed, complied with or satisfied by the Company at or prior to the Closing Time on the Closing Date or the closing date of the Over-Allotment Option, as applicable, will have been performed, complied with or satisfied prior to that time;

(m) the Underwriters shall have received the definitive certificate or certificates, as the case may be, evidencing the Compensation Options;

(n) the Underwriters shall not have exercised any rights of termination set forth in this Agreement; and

(o) the Underwriters shall have received at the Closing Date such further certificates, opinions of counsel and other documentation from the Company contemplated herein, provided, however, that the Underwriters or their counsel shall request any such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Company to obtain and deliver such certificate, opinion or document.

8. **Exercise of Over-Allotment Option.**

(a) The Over-Allotment Option shall be exercisable, in whole or in part, and from time to time, by the Underwriters by giving written notice to the Company on or before a date that is not later than 30 days following the Closing Date. Any such election to purchase Additional Units, Additional Shares and/or Additional Warrants may be exercised only by written notice from the Lead Underwriter, on behalf of the Underwriters, to the Company (the "**Over-Allotment Option Notice**") by 9:00 a.m. (Toronto time) on or before the 30th day following the Closing Date, such notice to set forth: (i) the aggregate number of Additional Units, Additional Shares and/or Additional Warrants to be purchased; and (ii) the date for the purchase of the Additional Units, Additional Shares and/or Additional Warrants (the "**Over-Allotment Closing Date**"), provided that such date shall not be less than two Business Days (as defined herein) or more than five Business Days following the date of such notice. For greater certainty, the Over-Allotment Closing Date may be the same date as the Closing Date but not earlier than the Closing Date. Pursuant to the Over-Allotment Option Notice, the Underwriters shall severally, and not jointly, nor jointly and severally, purchase in their respective percentages set out in Section 16 of this Agreement, and the Company shall deliver and sell, the number of Additional Units, Additional Shares and/or Additional Warrants indicated in such notice, in accordance with the provisions of this Agreement.

(b) The obligation of the Underwriters to purchase the Additional Units, Additional Shares and/or Additional Warrants at the Over-Allotment Closing Time (in the event that the Over-Allotment Option is exercised by the Lead Underwriter) shall be subject to the accuracy in all material respects of the representations and warranties of the Company contained in this Agreement (other than those subject to materiality, which should be true and correct in all respects) as of the Over-Allotment Closing Date and the performance in all material respects by the Company of its obligations under this Agreement. Any such closing shall be referred to as an "**Over-Allotment Closing**" and shall be conducted in the same manner as the Closing. At any Over-Allotment Closing, the Company and the Underwriters shall make all necessary payments and the Company shall, at its sole expense, deliver all of the certificates, opinions and other documents to be delivered by it on the Closing Date, each updated to the date of any such Over-Allotment Closing.

9. **All Terms to be Conditions.** The Company agrees that the conditions contained in Section 7 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company and that it will use its commercially reasonable best efforts to cause all such conditions to be complied with. Any breach or failure to comply with any of the conditions contained in Section 7 will entitle the Underwriters (or any one of them) to terminate their obligations to purchase the Offered Securities by written notice to that effect given to the Company at or prior to the Closing Time. It is understood that the Underwriters may waive, in whole or in part, or extent the time for compliance with, any of such terms and

conditions without prejudice to the rights of the Underwriters in respect of such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters, any such waiver or extension must be in writing.

10. **Termination Rights.** The Underwriters (or any one of them) shall be entitled to terminate their obligations hereunder by written notice to that effect given to the Company and the Lead Underwriter at or prior to the Closing Time if:

(a) there should occur any material change (actual, anticipated or threatened) in the operations, capital or condition (financial or otherwise), results of operations, business of the Company or the properties, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Company, or any undisclosed material fact or change in a material fact or new material fact shall arise, in each case, required to be disclosed in the Offering Documents or any Supplementary Material, which, in the opinion of the Underwriters, acting reasonably, has or could reasonably be expected to have a material adverse effect on the market price or value of the Class A Shares or Offered Units;

(b) there should develop, occur or come into effect or existence any event, action, state, or condition or any action, law or regulation, inquiry, including, without limitation, terrorism, accident, pandemic (including any material escalation in the severity of the COVID-19 outbreak), natural disaster, public protest, or major financial, political or economic occurrence of national or international consequence, or any action, government, law, regulation, inquiry or any other occurrence of any nature, which, in the reasonable opinion of the Underwriters (or any one of them), materially adversely affects or involves, or may materially adversely affect or involve, the financial markets in Canada or the U.S. or the business, operations or affairs of the Company and the Subsidiaries taken as a whole, or the marketability of the Offered Units, Unit Shares or Warrants;

(c) except for inquiry, action, suit, proceeding or investigation (whether formal or informal) based solely upon the activities of the Underwriters in connection with the Offering, if any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Company or any of its Subsidiaries or any one of their officers or directors where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, a Securities Commission, which involves a finding of wrong-doing and which in the reasonable opinion of the Underwriters (or any one of them), seriously adversely affects or may seriously adversely affect, the business, operations or affairs of the Company and the Subsidiaries taken as a whole or on the market price or value of the Class A Shares or the distribution of the Offered Units;

(d) the Company has not obtained a Final Receipt qualifying the Offered Units and the Compensation Options for distribution in the Qualifying Jurisdictions by November 12, 2020, or such other date as may be agreed to between the Company and the Lead Underwriter, on behalf of the Underwriters, acting reasonably;

(e) any order to cease or suspend trading in any securities of the Company or prohibiting or restricting the distribution of any securities of the Company, including the, Offered Units, Unit Shares, Warrants, Warrant Shares, Compensation Options or Compensation Option Shares, is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the CSE or any other competent authority, and which order has not been rescinded, revoked or withdrawn;

(f) the Company is in breach of any material term, condition or covenant of this Agreement or any material representation or warranty given by the Company in this Agreement is or becomes false in any material respect; or

(g) each of the Underwriters and the Company agree in writing to terminate this Agreement as provided for herein.

11. **Exercise of Termination Right.** If this Agreement is terminated by any of the Underwriters pursuant to Section 10, there shall be no further liability to the Company on the part of such Underwriter or of the Company to such Underwriter, except in respect of any liability which may have arisen or may thereafter arise under Sections 13 and 14. The right of the Underwriters (or any one of them) to terminate their respective obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Company in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Underwriter under Section 10 shall not be binding upon the other Underwriters.

12. **Survival of Representations, Warranties and Covenants.** The representations, warranties, covenants and indemnities of the Company and the Underwriters contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Offered Units shall survive the purchase by the Underwriters of the Offered Units for a period ending on the date that is three years following the Closing Date regardless of any investigation by or on behalf of the Underwriters with respect thereto.

13. **Indemnity and Contribution.**

(a) The Company agrees to indemnify and save harmless the Underwriters, their affiliates and their respective directors, officers, employees, partners, agents, and shareholders, (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatever nature or kind, joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, and the reasonable fees and expenses of their counsel (collectively, the "**Losses**") that may be incurred in investigating or advising with respect to and/or defending or settling any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**") or to which the Indemnified Parties may become subject or otherwise involved in any capacity insofar as such Claims relate to, are caused by, result from, arise out of or are based, directly or indirectly upon:

(i) the performance of professional services rendered to the Company by the Indemnified Parties under this Agreement or otherwise in connection with the matters referred to in this Agreement;

(ii) any breach or alleged breach or non-performance of any representation, warranty or covenant made by the Company contained in this Agreement or in any certificate or other document of the Company or of any officers thereof delivered under this Agreement or pursuant hereto or the failure of the Company to comply with any of their obligations under this Agreement;

(iii) any statement or information contained in the Offering Documents and any other material filed in compliance or intended compliance with applicable Securities Laws or any certificate of the Company or its Subsidiaries delivered pursuant to this Agreement (other than any statement relating solely to the Underwriters provided by the Underwriters in writing for inclusion in such document) containing or being alleged to contain a misrepresentation (for the purposes of applicable Securities Laws) or being alleged to be untrue, false or misleading. The rights of indemnity contained in this Section 13(a)(iii) in respect of a Claim based on a misrepresentation or allegation of an untrue, false or misleading statement in the Offering Documents shall not apply if the Company has complied with Sections 3(b) and 4 and the person asserting such Claim for which indemnity would otherwise be available was not delivered a copy of the Prospectus or the U.S. Placement Memorandum or was not provided with a copy of any Supplementary Material (or in the case of the U.S. Placement Memorandum, such applicable supplementary materials) which corrects any misrepresentation contained in the Prospectus and/or the U.S. Placement Memorandum which is the basis for such Claim and which Prospectus, U.S. Placement Memorandum or Supplementary Material (or in the case of the U.S. Placement Memorandum, such applicable supplementary materials) is required under applicable Securities Laws or this Agreement to be delivered to such person by such Underwriter or members of any Selling Firm appointed by such Underwriter;

(iv) the non-compliance or alleged non-compliance by the Company with any requirement of applicable Securities Laws; or

(v) any order made or inquiry, investigation or proceedings (formal or informal) commenced or threatened by any officer or official of any Governmental Authority based upon the circumstances described in Section 13(a)(iii) or Section 13(a)(iv) above which operates to prevent or restrict trading in or distribution of the Offered Securities in any of the Qualifying Jurisdictions or the United States.

(b) This indemnity shall not be available to any Indemnified Party in relation to any Losses which are determined by a court of competent jurisdiction in a final judgement that has become non-appealable to have resulted primarily from the Indemnified Party's fraud, gross negligence, or wilful misconduct.

(c) If a Claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Company, the Indemnified Party will give the Company prompt written notice of any such Claim of which the Indemnified Party has knowledge (provided that any failure or delay to so notify in respect of any Claim or potential Claim shall affect the liability of the Company under this Section 13 only if and to the extent that the Company is materially and adversely prejudiced by such failure or delay) and the Company will be entitled (but not required) to undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of one law firm (in addition to local counsel) acceptable to the Indemnified Parties affected, acting reasonably, and the payment of all expenses.

(d) No admission of liability and no settlement, compromise or termination of any Claim will be made without the Company's written consent and the written consent of the Indemnified Parties affected, such consents not to be unreasonably conditioned, withheld or delayed. Notwithstanding that the Company will be entitled (but not required) to undertake the investigation and defence of any Claim, an Indemnified Party will have the right to employ separate counsel with respect to any Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

(i) employment of such counsel has been authorized in writing by the Company;

(ii) the Company has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim;

(iii) the named parties to any such claim include both the Company and the Indemnified Party and the Indemnified Party will have been advised by counsel to the Indemnified Party that there may be a conflict of interest between the Company and the Indemnified Party; or

(iv) there are one or more defences available to the Indemnified Party which are different from or in addition to those available to the Company such that there may be a conflict of interest between the Company and the Indemnified Party;

in which case such fees and expenses of one law firm acting as counsel to the Indemnified Party will be for the Company's account. The rights accorded to the Indemnified Parties under this Agreement will be in addition to any rights an Indemnified Party may have at common law or otherwise.

(e) The Company will not, without the Indemnified Party's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claims in respect of which indemnification may be sought under this Agreement (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Indemnified Party from liabilities arising out of such action, suit proceeding investigation or claim.

(f) The Company agrees that if any Claim shall be brought or commenced against the Company and/or any Indemnified Party and the personnel of such Indemnified Party shall be required to testify in connection therewith or shall be required to participate or respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Company by the Indemnified Parties, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party monthly for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and reasonable out of pocket expenses incurred by the personnel of the Indemnified Party in connection therewith) shall be paid by the Company as they occur.

(g) The Company hereby constitutes the Lead Underwriter as trustees for each of the other Indemnified Parties of the Company's covenants under this indemnity with respect to such persons and the Lead Underwriter agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

Contribution

(h) In order to provide for a just and equitable contribution in circumstances in which the indemnity provided for above would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Underwriters or enforceable otherwise than in accordance with its terms, the Company and the Underwriters shall contribute to the aggregate of all claims, expenses, costs and liabilities (including any legal expenses reasonably incurred by the Indemnified Party in connection with any claim which is the subject of this Section) and all losses (other than loss of profits) of a nature provided for above in such proportions as is appropriate to reflect not only the benefits received by the Company, on one hand, and the Underwriters, on the other hand, but also the relative fault of the Company and the Underwriters, as well as any equitable considerations; provided that, the Underwriters shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the Underwriters' Commission paid by the Company to the Underwriters realized from the sale of the Offered Securities and the Company shall be responsible for the balance, whether or not it has been sued, provided that, in no event, shall an Underwriter be responsible for any amount in excess of the amount of the Underwriters' Commission actually received by such Underwriter.

(i) The Company hereby waives all rights which it may have by statute or common law to recover contribution from the Underwriters in respect of losses, claims, costs, damages, expenses or liabilities which any of them may suffer or incur directly or indirectly (in this paragraph, "losses") by reason of or in consequence of a document containing a misrepresentation; provided, however, that such waiver shall not apply in respect of losses by reason of or in consequence of any misrepresentation which is based upon or results from information or statements furnished by or relating solely to the Underwriters.

(j) In the event that the Company may be held to be entitled to contribution from the Underwriters under the provisions of any statute or law, or pursuant to the foregoing paragraph, the Company shall be limited to contribution in an amount not exceeding the

lesser of: (i) the portion of the full amount of losses, claims, costs, damages, expenses and liabilities, giving rise to such contribution for which the Underwriters are responsible, as determined above; and (ii) the amount of the Underwriters' Commission actually received by the Underwriters. Notwithstanding the foregoing, a party guilty of fraudulent misrepresentation shall not be entitled to contribution from the other party. Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against the other party under this Section, notify such party from whom contribution may be sought. In no case shall such party from whom contribution may be sought be liable under this Agreement unless such notice has been provided, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any other obligation it may have otherwise than under this Section.

(k) The rights to indemnity and contribution provided in this Agreement shall be in addition to and not in derogation of any other right to indemnity or contribution which the Underwriters may have by statute or otherwise by law.

14. **Expenses.** The Company shall pay all expenses and fees in connection with the Offering, including, (i) all expenses of or incidental to the creation, issue, sale or distribution of the Offered Securities and the filing of the Prospectus; (ii) the fees and expenses of the Company's legal counsel and of local counsel to the Company; (iii) all costs incurred in connection with the preparation of documentation relating to the Offering; (iv) the reasonable out-of-pocket expenses of the Underwriters (including applicable taxes); and (v) the fees and disbursements of the Underwriters' legal counsel up to a maximum set forth in the Bid Letter, exclusive of disbursements and applicable taxes. All reasonable fees and expenses (plus applicable Taxes) incurred by the Underwriters or on their behalf shall be payable by the Company promptly upon receiving an invoice therefor from the Underwriters and shall be payable whether or not the Offering is completed. At the option of the Lead Underwriter, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Company on the Closing Date and any Over-Allotment Closing Date.

15. **Advertisements.** Neither the Company nor any of the Underwriters shall make any public announcement in connection with the Offering, except if the other party (provided that Beacon shall represent the Underwriters in this regard) has consented to such announcement or the announcement is required by applicable laws or stock exchange rules. In such event, the party proposing to make the announcement will provide the other party with a reasonable opportunity, in the circumstances, to review a draft of the proposed announcement and to provide comments thereon.

16. **Underwriters' Obligations.** The Underwriters' obligations under this Agreement shall be several and not joint, and the Underwriters' respective obligations and rights and benefits hereunder shall be as to the following percentages:

Beacon Securities Limited	65%
Canaccord Genuity Corp.	25%
Haywood Securities Inc.	10%

If an Underwriter (a "**Refusing Underwriter**") shall not complete the purchase and sale of the Offered Securities which such Underwriter has agreed to purchase hereunder for any reason whatsoever, the other Underwriters (the "**Continuing Underwriters**") shall be entitled, at their option, to purchase all

but not less than all of the Offered Securities which would otherwise have been purchased by such Refusing Underwriter *pro rata* according to the number of Offered Securities to have been acquired by the Continuing Underwriters hereunder or in such proportion as the Continuing Underwriters shall agree in writing. If the Continuing Underwriters do not elect to purchase the balance of the Offered Securities pursuant to the foregoing:

(a) the Continuing Underwriters shall not be obliged to purchase any of the Offered Securities that any Refusing Underwriter is obligated to purchase;

(b) the Company shall not be obliged to sell less than all of the Offered Securities; and

(c) the Company shall be entitled to terminate its obligations under this Agreement arising from its acceptance of this offer, in which event there shall be no further liability on the part of the Company or the Continuing Underwriters, except pursuant to the provisions of Sections 13 and 14. Notwithstanding the foregoing, the Refusing Underwriter shall not be entitled to the benefit of the provisions of Sections 13 and 14 following such termination.

17. **Underwriters' Authority.** The Company shall be entitled to and shall act on any notice, request, direction and other communication given or agreement entered into by or on behalf of the Underwriters by the Lead Underwriter who shall represent the Underwriters and have authority to bind the Underwriters hereunder, except for any matters pursuant to Sections 9, 10, 11 or 13.

18. **Over-Allotment.** In connection with the distribution of the Offered Units, the Underwriters and members of their selling group (if any) may over-allot or effect transactions which stabilize or maintain the market price of the Class A Shares at levels above those which might otherwise prevail in the open market, in compliance with applicable Securities Laws. Those stabilizing transactions, if any, may be discontinued at any time.

19. **Notices.** All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile delivered or electronic delivery to such other party as follows:

(a) to the Company:

4Front Ventures Corp.
5060 North 40th Street, Suite 120
Phoenix, AZ 85018

Attention: Leonid Gontmakher
Email: [redacted]

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

Fasken Martineau DuMoulin LLP
Bay Adelaide Centre, 333 Bay Street, Suite 2400
Toronto, ON M5H 2T6

Attention: Rubin Rapuch / Alex Nikolic
Email: rrapuch@fasken.com / anikolic@fasken.com

(b) to the Lead Underwriter:

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

Attention: Mario Maruzzo
Email: [redacted]

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

Borden Ladner Gervais LLP
22 Adelaide Street West
Toronto, Ontario M5H 4E3

Attention: Cameron A. MacDonald
Email: cmacdonald@blg.com

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

20. **Time of the Essence.** Time shall, in all respects, be of the essence hereof.

21. **Entire Agreement.** This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including the Bid Letter. This Agreement may be amended or modified in any respect by written instrument only.

22. **Assignment.** Except as contemplated herein, no party hereto may assign this Agreement or any part hereof without the prior written consent of the other parties hereto. Subject to the foregoing, this Agreement shall enure to the benefit of, and shall be binding upon, the Company and the Underwriters and their successors and legal representatives, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions contained in this Agreement, this Agreement and all conditions and provisions of this Agreement being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person except that the covenants and indemnities of the Company set out under the heading “Indemnity and Contribution” shall also be for the benefit of the Indemnified Parties.

23. **Severability.** If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

24. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario, which will have non-exclusive jurisdiction over any matter arising out of this Agreement.

25. **Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company and the Underwriters and their respective successors and assigns.

26. **Further Assurances.** Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

27. **Counterparts and Electronic or Facsimile Copies.** This Agreement may be executed in any number of counterparts and by facsimile or other electronic transmission (in PDF), each of which so executed will constitute an original and all of which taken together shall form one and the same agreement.

28. **Conflict.** The Company acknowledges that the Underwriters and their affiliates carry on a range of businesses, including providing stockbroking, investment advisory, research, investment management and custodial services to clients and trading in financial products as agent or principal. It is possible that the Underwriters and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Company agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Company's interests under this Agreement.

29. **No Fiduciary Duty.** The Company hereby acknowledges that the Underwriters are acting solely as underwriters in connection with the purchase and sale of the Offered Securities. The Company further acknowledges that the Underwriters are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Underwriters act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Underwriters may undertake or have undertaken in furtherance of such purchase and sale of the Company's securities, either before or after the date hereof. The Underwriters hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Underwriters agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Underwriters to the Company regarding such transactions, including any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company and the Underwriters agree that the Underwriters are acting as principal and not the agent or fiduciary of the Company and no Underwriter has assumed, and no Underwriter will assume,

any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Underwriter has advised or is currently advising the Company on other matters). The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriters with respect to any breach or alleged breach of any fiduciary, advisory or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

31. **Underwriters' Advice.** The Company acknowledges and agrees that all written and oral opinions, advice, analyses and materials provided by the Underwriters in connection with this Agreement and their engagement hereunder are intended solely for the Company's benefit and the Company's internal use only with respect to the Offering and the Company agrees that no such opinion, advice, analysis or material will be used for any other purpose whatsoever or reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without the Underwriters' prior written consent in each specific instance. Any advice or opinions given by any of the Underwriters hereunder will be made subject to, and will be based upon, such assumptions, limitations, qualifications, and reservations as such Underwriter(s), in its/their sole judgment, deems necessary or prudent in the circumstances. The Underwriters expressly disclaim any liability or responsibility by reason of any unauthorized use, publication, distribution of or reference to any oral or written opinions or advice or materials provided by the Underwriters or any unauthorized reference to any of the Underwriters or this Agreement.

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If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and returning one executed copy to the Underwriters.

Yours very truly,

BEACON SECURITIES LIMITED

Per: *Signed ("Mario Maruzzo")*
Authorized Signing Officer

CANACCORD GENUITY CORP.

Per: *Signed ("Frank Sullivan")*
Authorized Signing Officer

HAYWOOD SECURITIES INC.

Per: *Signed ("Rob Blanchard")*
Authorized Signing Officer

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

4FRONT VENTURES CORP.

Per: *Signed ("Leonid Gontmakher")*
Authorized Signing Officer

SCHEDULE "A"
SUBSIDIARIES

Name of Subsidiary	Principal Activity	Governing Jurisdiction	Ownership Interest of Company (directly or beneficially)%
Mission Partners USA, LLC	Investment Company	Arizona	100%
Linchpin Investors, LLC	Finance Company	Arizona	100%
Healthy Pharms, Inc.	Cultivation and Dispensary	Massachusetts	100%
Real Estate Properties LLC	Real Estate Holding	Washington	100%
Ag-Grow Imports LLC	Importer of Equipment	Washington	100%
Brightleaf Development LLC	Holding Company	Washington	100%
Fuller Hill Development Co, LLC	Real Estate Holding	Washington	100%
Cannex Holdings (California) Inc.	Real Estate Holding	Washington	100%
4Front Nevada Corp.	Holding Company	Nevada	100%
Pure Ratios Holdings, Inc.	Online CBD Retail	California	100%
4Front US Holdings, Inc.	Holding Company	Delaware	100%
4Front Holdings, LLC	Holding Company	Delaware	100%
4Front Advisors, LLC	Consulting Company	Arizona	100%
Om of Medicine, LLC	Dispensary	Michigan	100%
Harborside Illinois Grown Medicine, LLC	Dispensary	Illinois	100%
IL Grown Medicine, LLC	Cultivation	Illinois	100%
MMA Capital, LLC	Investment Company	Massachusetts	95%

Name of Subsidiary	Principal Activity	Governing Jurisdiction	Ownership Interest of Company (directly or beneficially)%
Mission MA, Inc.	Cultivation and Dispensary	Massachusetts	100%
Mission Partners IP, LLC	IP Holding Company	Delaware	100%

SCHEDULE "B"

TERMS AND CONDITIONS FOR UNITED STATES OFFERS AND SALES

As used in this Schedule "B", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the underwriting agreement to which this Schedule is annexed and the following terms shall have the meanings indicated:

"**Accredited Investor**" shall have the meaning ascribed thereto in Rule 501(a) of Regulation D under the U.S. Securities Act;

"**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Securities and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Securities;

"**Distribution Compliance Period**" means the 40 day period that begins on the later of (i) the date the Offered Securities are first offered to persons other than distributors in reliance on Regulation S or (ii) the Closing Date or the Closing Date relating to the Over-Allotment Option (as applicable); provided that, all offers and sales by a distributor of an unsold allotment or subscription shall be deemed to be made during the Distribution Compliance Period;

"**Foreign Issuer**" shall have the meaning ascribed thereto in Rule 902(e) of Regulation S;

"**General Solicitation**" or "**General Advertising**" means "general solicitation" or "general advertising", as used in Rule 502(c) under the U.S. Securities Act, including, without limitation, any advertisements, articles, notices or other communications published on the internet or in any newspaper, magazine or similar media or broadcast over radio, television, or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"**Offshore Transaction**" means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

"**Reporting Issuer**" shall have the meaning ascribed thereto in Rule 902(i) of Regulation S;

"**Rule 144A**" means Rule 144A under the U.S. Securities Act;

"**SEC**" means the Unites States Securities and Exchange Commission.

"**U.S. Affiliate**" means the U.S. registered broker-dealer affiliate of an Underwriter;

Representations, Warranties and Covenants of the Underwriters

Each Underwriter, on behalf of itself and its U.S. Affiliate, if any, represents, warrants and covenants to the Company that:

(1) It acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and that the Offered Securities may not be offered or sold except in Offshore Transactions in accordance with Rule 903 of Regulation S or to, or for the account or benefit of, persons in the United States or U.S. Persons pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A or Rule 506(b) of Regulation D, as applicable, and in reliance upon exemptions under applicable U.S. state securities laws. Accordingly, none of the Underwriter, its affiliates or any person acting on any of their behalf, has made or will make (except as permitted herein): any offer to sell, or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, any person in the United States or any U.S. person; any sale of Offered Securities to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and not a U.S. person, or such Underwriter, affiliate or person acting on behalf of either reasonably believed that such purchaser was outside the United States and not a U.S. person; or any Directed Selling Efforts in the United States with respect to the Offered Securities.

(2) In accordance this Schedule "B", it has only offered and sold and will only offer and sell the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons with whom it has a pre-existing substantive or business relationship and whom it reasonably believes are either Qualified Institutional Buyers pursuant to Rule 144A or Accredited Investors pursuant to Rule 506(b) of Regulation D, and in compliance with applicable U.S. state securities law. Except as set forth in the preceding sentence, the Underwriter has not made and will not make any offer to sell, solicitation of an offer to buy or sale of any of the Offered Securities unless such offer, solicitation of an offer or sale of the Offered Securities was made in an Offshore Transaction in compliance with Rule 903 of Regulation S.

(3) It will not offer or sell any Offered Securities prior to the expiration of the Distribution Compliance Period (whether or not part of its unsold allotment), except in accordance with the provisions of Rule 903 or Rule 904 of Regulation S, as applicable, or pursuant to an available exemption from the registration requirements of the U.S. Securities Act.

(4) It agrees that, at or prior to confirmation of the sale of the Offered Shares, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Offered Securities from it during the Distribution Compliance Period a confirmation or notice to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and closing date, except in either case in accordance with Regulation S under the U.S. Securities Act, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from the registration requirements of the U.S. Securities Act."

In addition, prior to the expiration of the Distribution Compliance Period, all subsequent offers and sales of the Offered Securities by such Underwriter shall be made only in accordance with the provisions of Rule 903 or 904 of Regulation S; pursuant to a registration of the Offered Securities under the U.S. Securities Act; or pursuant to an available exemption from the registration requirements of the U.S. Securities Act.

Such Underwriter agrees to obtain substantially identical undertakings from each member of any banking and selling group formed in connection with the distribution of the Offered Securities contemplated hereby and to comply with the offering restriction requirements of Regulation S

(5) It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, except with its U.S. Affiliate, a Selling Firm, or with the prior written consent of the Company. It shall require its U.S. Affiliate and any Selling Firm to agree, for the benefit of the Company, to comply with the same provisions of this Schedule as apply to such Underwriter and Selling Firm as if such U.S. Affiliate or Selling Firm was a party to this Underwriting Agreement.

(6) Neither such Underwriter nor its U.S. Affiliate, nor any persons acting on its or their behalf, has engaged or will engage in any Directed Selling Efforts prior to the expiration of the Distribution Compliance Period.

(7) All offers and sales of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons have been and shall be made through the Underwriter's U.S. Affiliate in compliance with all applicable U.S. federal and state broker-dealer requirements. Such U.S. Affiliate is and will be, on the date of each offer or sale of Offered Securities in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the laws of each state where such offers and sales are made (unless exempted from such state's registration requirements) and a member in good standing with the Financial Industry Regulatory Authority, Inc.

(8) Offers and sales of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons by the Underwriter or its U.S. Affiliate have not been and shall not be made by any form of General Solicitation or General Advertising, or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

(9) All purchasers of the Offered Securities who are, or are acting for the account or benefit of, persons in the United States or U.S. Persons or who were offered Offered Securities in the United States ("**U.S. Purchasers**") shall be informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act and that the Offered Securities are being sold to them in reliance on Rule 144A or Rule 506(b) of Regulation D, as applicable, and in reliance upon similar exemptions from registration under applicable U.S. state securities laws.

(10) It will ensure that each Person that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person that was offered Offered Securities by it or its U.S. Affiliate has been or shall be provided with the U.S. Memorandum including the Preliminary Prospectus and/or the Final Prospectus, as applicable. It will ensure that each U.S. Purchaser purchasing Offered Securities from it or from the Company, through or arranged by its U.S. Affiliate, shall (i) be

provided, prior to the Closing Time or Over-allotment Closing Time, as applicable, with the U.S. Memorandum including the Final Prospectus; and (ii) execute and deliver to the Underwriters, the U.S. Affiliates and the Company either: (a) a Qualified Institutional Buyer Letter (a "**U.S. QIB Letter**") substantially in the form attached as Exhibit I to the U.S. Memorandum or (b) a U.S. Subscription Agreement substantially in the form attached as Exhibit II to the U.S. Memorandum.

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

(12) Prior to the Closing Time or Over-allotment Closing Time, as applicable, it will provide the Company and its transfer agent with a list of all U.S. Purchasers purchasing the Offered Securities from its U.S. Affiliate, or from the Company as arranged by its U.S. Affiliate.

(13) At the Closing Time or Over-allotment Closing Time, as applicable, the Underwriter, together with its U.S. Affiliate selling (or arranging for the Company to sell) Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, will provide a certificate, substantially in the form of Exhibit A to this Schedule relating to the manner of the offer and sale of the Offered Securities in the United States and to U.S. Persons or will be deemed to have represented and warranted that none of it, its affiliates or any person acting on any of their behalf has offered or sold Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons.

(14) As of the Closing Date and Over-Allotment Closing Date, as applicable, with respect to offers and sales of Offered Securities to Accredited Investors pursuant to Rule 506(b) of Regulation D (the "**Regulation D Securities**"), each Underwriter represents that neither it, nor any of its general partners, managing members, directors, executive officers, other officers participating in offers and sales to Accredited Investors pursuant to Rule 506(b) of Regulation D or any other person associated with or acting on behalf of the above persons (including, but not limited to, the Underwriter's U.S. Affiliate) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Regulation D Securities (each, an "**Underwriter Covered Person**" and, together, the "**Underwriter Covered Persons**"), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D (a "**Disqualification Event**") except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of Regulation D and (ii) a description of which has been furnished in writing to the Company prior to the date thereof.

(15) As of the Closing Date, the Underwriter represents that it is not aware of any person (other than any Underwriter Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of U.S. Purchasers of Regulation D Securities.

(16) The Underwriter will notify the Company in writing, prior to the Closing Date (i) any Disqualification Event relating to any Underwriter Covered Person not previously disclosed to the Company and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Underwriter Covered Person.

Representations, Warranties and Covenants of the Company

The Company represents, warrants, covenants and agrees to and with the Underwriters that:

(1) (a) The Company is, and at the Closing Time and Over-allotment Closing Time, as applicable, will be, a Foreign Issuer and a Reporting Issuer; (b) the Company is not now, and as a result of the offer and sale of Offered Securities contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended; (c) none of the Company, any of its affiliates, or any person acting on any of their behalf (other than the Underwriters, their affiliates and any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made), has engaged or will engage in any Directed Selling Efforts or has taken or will take any action (including the sale of securities to, or for the account or benefit of, persons in the United States or U.S. Persons) that would cause the exemptions afforded by Rule 144A and Rule 506(b) of Regulation D or the exclusion afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities pursuant to this Underwriting Agreement and (d) none of the Company, any of its affiliates, or any person acting on any of their behalf (other than the Underwriters, their affiliates and any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made) has engaged or will engage in any form of General Solicitation or General Advertising in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, or has otherwise acted in a manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act, in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons.

(2) Except with respect to offers and sales in accordance with this Underwriting Agreement (including this Schedule "B") to, or for the account or benefit of, persons in the United States or U.S. Persons to Accredited Investors in reliance upon the exemption from registration available under Rule 506(b) of Regulation D and Qualified Institutional Buyers in reliance upon the exemption from registration available under Rule 144A, none of the Company, its affiliates or any persons acting on any of their behalf (other than the Underwriters, their affiliates and any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made) has offered or sold, or will offer or sell, any of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons.

(3) None of the Company, its affiliates or any person acting on any of their behalf (other than the Underwriters, their affiliates and any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made) has taken or will take any action that would cause the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A or Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons or which would cause the exclusion from such registration requirements set forth in Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Offered Securities in Offshore Transactions outside the United States to non-U.S. Persons.

(4) The Company has complied and will comply with applicable Securities Laws preventing or restricting the trading in or the sale of the Offered Securities or related activities in any of the Qualifying Jurisdictions or the United States.

(5) The Offered Securities are not, and as of the Closing Time and Over-allotment Closing Time, as applicable, will not be, and no securities of the same class as the Offered Securities are or will be (a) listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, (b) quoted in a "U.S. automated inter-dealer quotation system," as such term is used in Rule 144A, or (c) convertible or exchangeable into or exercisable for securities so listed or quoted at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than 10%.

(6) For so long as the Offered Securities which have been sold to U.S. Purchasers in reliance upon Rule 144A pursuant hereto are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Company is neither (i) subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act nor (ii) exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Company shall provide to any holders of the Offered Securities which have been sold to U.S. Purchasers in reliance upon Rule 144A pursuant hereto, or to any prospective purchasers of such Offered Securities designated by such holders, upon request of such holders or prospective purchasers, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of such Offered Securities to effect resales under Rule 144A).

(7) The Company has not, for a period of six months prior to the date hereof, sold, offered for sale or solicited any offer to buy any of its securities in the United States in a manner that would be integrated with, and would cause the exemption provided by Rule 506(b) of Regulation D or Rule 144A to become unavailable with respect to, the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons as contemplated by this Underwriting Agreement.

(8) Any offering material or document prepared or distributed by or on behalf of the Company and used in connection with offers and sales of the Offered Securities prior to the expiration of the Distribution Compliance Period includes, and shall include, statements to the effect that the Offered Securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, unless an exemption from the registration requirements of the U.S. Securities Act is available.

Such statements appear, and shall appear, (i) on the cover or inside cover page of any material or document; (ii) in the plan of distribution section of any prospectus or offering memorandum; and (iii) in any advertisement or press release made or issued by the Company or anyone acting on the Company's behalf (other than the Underwriters, their affiliates, members of the Selling Dealer Group and any person acting on their behalf).

(9) The U.S. Memorandum shall set forth the following in substantially the following form:

"The Offered Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, except that Offered Securities may be offered and sold to in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule

506 of Regulation D or Rule 144A thereunder and similar exemptions under applicable state securities laws."

(10) The Company will file within the prescribed time period(s) a Notice of Sales on Form D as required by Rule 503 of Regulation D with the United States Securities and Exchange Commission and any required filings with any applicable U.S. state securities commissions in connection with any sales of Offered Securities to Accredited Investors pursuant to Rule 506(b) of Regulation D.

(11) Neither the Company nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminary or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

(12) Neither the Company nor any of its affiliates has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act with respect to the offer or sale of the Offered Securities.

(13) None of the Company or any of its predecessors or subsidiaries has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated under the U.S. Exchange Act.

(14) As of the Closing Date and Over-Allotment Closing Date, as applicable, with respect to offers and sales of Regulation D Securities, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the Offering, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale (other than any Underwriter Covered Person, as to whom no representation or warranty is made) (each, an "**Issuer Covered Person**" and, together, the "**Issuer Covered Persons**") is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) of Regulation D. The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Underwriters a copy of any disclosures provided thereunder.

(15) As of the Closing Date and Over-Allotment Closing Date, as applicable, the Company is not aware of any person (other than any Underwriter Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of U.S. Purchasers.

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

Exhibit A to Schedule "B"

UNDERWRITERS' CERTIFICATE

In connection with the private placement in the United States of the units (the "**Offered Securities**") of 4Front Ventures Corp. (the "**Company**") pursuant to the underwriting agreement dated as of October 26, 2020 among the Company and the Underwriters named therein (the "**Underwriting Agreement**"), each of the undersigned does hereby certify as follows:

(a) **[Name of U.S. broker-dealer Affiliate]** acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, persons in the United States or U.S. persons, except pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D or Rule 144A. We have not offered or sold, and will not offer or sell, the Offered Securities (A) as part of our distribution at any time or (B) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in accordance with Rule 903 of Regulation S or as provided in paragraphs (b) through (i) below. We sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Offered Securities from us during the restricted period a confirmation or notice substantially to the following effect:

"The Offered Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the U.S. Securities Act, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from the registration requirements of the U.S. Securities Act.";

(b) In addition, prior to the expiration of the Distribution Compliance Period, all subsequent offers and sales of the Offered Securities have been made and will be made only in accordance with the provisions of Rule 903 and 904 of Regulation S; pursuant to a registration of the Offered Shares under the U.S. Securities Act; or pursuant to an available exemption from the registration requirements of the U.S. Securities Act;

(c) **[Name of U.S. broker-dealer Affiliate]** is on the date hereof, and was on the date of each offer and sale of the Offered Securities made by it to, or for the account or benefit of, persons in the United States or U.S. Persons, a duly registered broker or dealer under the United States Securities and Exchange Act of 1934, as amended, and the securities laws of each state in which an offer or sale of Offered Securities was made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc. , and all offers and sales of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons by or through **[Name of U.S. broker-dealer Affiliate]** have been and will be effected in accordance with all U.S. federal and state broker-dealer requirements;

(d) each offeree of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons was provided with a copy of one or both of the U.S. Memorandum, including the Preliminary Prospectus, and/or the U.S. Memorandum , including the Final Prospectus, and each U.S. Purchaser: (a) was provided, prior to the Closing Time, with a copy of the U.S. Memorandum , including the Final Prospectus, and no other written material was used in connection with the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons; and (b) executed and delivered to the Underwriters and the Company either (x) a U.S. QIB Letter substantially in the form attached as Exhibit I to the U.S. Memorandum or (y) a U.S. Subscription Agreement substantially in the form attached as Exhibit II to the U.S. Memorandum ;

(e) immediately prior to our soliciting such offerees, we had reasonable grounds to believe and did believe that each offeree was, and continue to believe that each U.S. Purchaser purchasing Offered Securities from or through us is, either a "qualified institutional buyer", as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act;

(f) no form of "general solicitation" or "general advertising" (as those terms are used in Rule 502(c) of Regulation D under the U.S. Securities Act) or "directed selling efforts" (as such term is defined in Rule 902(c) of Regulation S under the U.S. Securities Act) was used by us in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;

(g) none of (i) the undersigned, (ii) the undersigned's general partners or managing members, (iii) any of the undersigned's directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any of the undersigned's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Regulation D Securities or (v) any other person associated with any of the above persons that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of Regulation D Securities (each, a "**Underwriter Covered Person**" and, collectively, the "**Underwriter Covered Persons**"), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D (a "**Disqualification Event**"), except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of Regulation D and (ii) a description of which has been furnished in writing to the Company prior to the date hereof;

(h) we are not aware of any person (other than any Underwriter Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of U.S. Purchasers;

(i) neither we nor any of our affiliates have taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act with respect to the offer or sale of the Offered Securities; and

(j) the offering of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons has been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule "B" hereto.

Unless otherwise defined, terms used in this certificate have the meanings given to them in the Underwriting Agreement, including Schedule "B" hereto.

Dated this _____ day of _____, 2020.

[UNDERWRITER]

By: _____

Authorized Signing Officer

[U.S. BROKER-DEALER AFFILIATE]

By: _____

Authorized Signing Officer

SCHEDULE C

[redacted]