Court File No.: CV-20-00653410-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ANSON ADVISORS INC., ANSON FUNDS MANAGEMENT LP, ANSON INVESTMENTS MASTER FUND LP and MOEZ KASSAM

Plaintiffs

-and-

JAMES STAFFORD, ANDREW RUDENSKY, ROBERT LEE DOXTATOR, JACOB DOXTATOR, AND JOHN DOE 1, JOHN DOE 2, JOHN DOE 3, JOHN DOE 4 AND OTHER PERSONS UNKNOWN

Defendants

A N D B E T W E E N:

ROBERT LEE DOXTATOR

Plaintiff by Counterclaim

-and-

ANSON ADVISORS INC., ANSON FUNDS MANAGEMENT LP, ANSON INVESTMENTS MASTER FUND LP, MOEZ KASSAM AND ALLEN SPEKTOR

Defendants to the Counterclaim

MOTION RECORD (VOLUME 3 OF 5)
(Motion for Directions and for Further and Better Answers and Production)

Date: November 1st, 2024

KIM SPENCER MCPHEE BARRISTERS P.C.
1200 Bay Street, Suite 1203
Toronto, ON M5R 2A5

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Megan B. McPhee (LSO# 48351G)
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Lawyers for the Defendants James Stafford and Jacob Doxtator

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Tel: (416) 777-6084
Dylan H. Yegendorf (LSO# 85016M)
E-mail : yegendorfd@bennettjones.com
Tel: (416) 777-7837

Lawyers for the Plaintiffs/Defendants by Counterclaim Anson Advisors Inc., Anson Funds Management LP, Anson Investments Master Fund LP and Moez Kassam

AND TO: **BLANEY MCMURTY LLP**
Barristers and Solicitors
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Toronto, ON M5C 3G5

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Tel: (416) 593-3953
Steven Kelly (LSO# 87293B)
E-mail: skelly@blaney.com
Tel: (416) 593-2977

Lawyers for the Defendant Andrew Rudensky

AND TO: **ROBERT DOXTATOR**
238 Ridge Road
Tyendinaga Mohawk Territory, ON K0K 1X0
E-mail: harvestmoonresearch@gmail.com

Self-represented Defendant and Plaintiff by Counterclaim

AND TO: **ALLEN SPEKTOR**
E-mail: allenspektor@gmail.com

Defendant by Counterclaim

I N D E X

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S.	Exhibit “S” - Excerpts from Discovery Examination of Moez Kassam, Apr. 20–21, 2023	916-936
T.	Exhibit “T” - Plaintiffs’ Responses to Undertakings, Under Advisements, and Refusals, dated Aug. 31, 2023	937-990
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AA.	Exhibit “AA” - SEC Order, Admin. Proceeding File No. 3-21783, Oct. 19, 2023	2194-2201
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CC.	Exhibit “CC” - Complaint, SEC v. Andrew Left et al., Case No. 2-24-cv-06311, filed Jul. 26, 2024	2212-2271
DD.	Exhibit “DD” - SEC Press Release, “SEC Charges Canadian Investment Adviser with Violating Trading Rule,” Oct. 19, 2023	2272-2275
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FF.	Exhibit “FF” - SEC Press Release, “SEC Charges Andrew Left and Citron Capital for $20 Million Fraud Scheme,” dated Jul. 26, 2024	2280-2284

TAB 2U

This is **EXHIBIT "U"** referred to in the affidavit

of **Nicole Kelly,**

sworn before me this **1st** day of **November, 2024.**

A COMMISSIONER FOR TAKING AFFIDAVITS

From:	Moral, Martin
To:	Ameez Allidina
Cc:	Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject:	RE: MMEN Convertible
Date:	Wednesday, September 5, 2018 11:34:47 AM
Attachments:	5J5636 Margin (2).xlsx

The main cause of the margin calls are the options for TLRY. The attached .xlsx has the calculation if you sell more and want to calculate how much you'll need to put up

The margin that you need to put up is the market value for the option + 30% of the market value for the underlying security.

Thanks,
Marty

From: Moral, Martin
Sent: Wednesday, September 05, 2018 11:29 AM
To: Ameez Allidina
Cc: Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject: RE: MMEN Convertible

The problem is these are Promissory Notes and are not considered certificates. We aren't able to provide offset nor can we even hold them in our vault.

In the meantime, I'm reviewing the account and trying to get a bump on the Canopy CV's.

Marty

From: Ameez Allidina [mailto:aallidina@ansonfunds.com]
Sent: Wednesday, September 05, 2018 11:18 AM
To: Moral, Martin
Cc: Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky
Subject: MMEN Convertible

Hi Martin,

Please see attached. We hold MMEN CN converts, is there room for margin offset with these ?

Please review and revert back.

Thank you,

Ameez Allidina | Anson Funds
155 University Avenue, Suite 207
Toronto, ON | M5H 3B7 (416) 447-8874
aallidina@ansonfunds.com

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Electronically filed / Déposé par voie électronique : 01-Nov-2024
Toronto Superior Court of Justice / Cour supérieure de justice

Account	Symbol	Quantity	Gross Price	Opening/Closing	Currency	Margin	Underlying	Strike	OOM	Call/Put?	FX
							77.01	60	0.00	call	1.3205
5J5636		-1616	$ 21.0000	opening		(9,411,263)					

Account	Symbol	Quantity	Gross Price	Opening/Closing	Currency	Margin	Underlying	Strike	OOM	Call/Put?	FX
							77.01	45	0.00	call	1.3205
5J0636		-150	$ 34.0000	opening		(1,131,068)					

Account	Symbol	Quantity	Gross Price	Opening/Closing	Currency	Margin	Underlying	Strike	OOM	Call/Put?	FX
							77.01	50	0.00	call	1.3205
5J0636		-880	$ 29.5000	opening		(6,112,679)					

Total	(16,655,009)

From:	Scott Arbuckle
To:	Moral, Martin; Ameez Allidina
Cc:	Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject:	RE: MMEN Convertible
Date:	Wednesday, September 5, 2018 11:41:25 AM

HI Marty,

I don't margin on CWEB (charlotte"s web) is that to new?

Can you provide margin on Cannaroyalty bonds. Ameez will send docs on that to you shortly

Thanks
Scott

From: Moral, Martin <Martin.Moral@tdsecurities.com>
Sent: Wednesday, September 5, 2018 10:35 AM
To: Ameez Allidina <aallidina@ansonfunds.com>
Cc: Anson Operations <operations@ansonfunds.com>; Moez Kassam <mkassam@ansonfunds.com>; Amin Nathoo <anathoo@ansonfunds.com>; Jay Lubinsky <jay@ansonfunds.com>; Banquier, Steve <Steve.Banquier@tdsecurities.com>; Healy, Sarah <Sarah.Healy@tdsecurities.com>
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From:	Ameez Allidina
To:	Scott Arbuckle; Moral, Martin
Cc:	Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject:	RE: MMEN Convertible
Date:	Wednesday, September 5, 2018 11:53:29 AM
Attachments:	Final Term Sheet - CRZ - June 20.docx DOC070318-07032018150742.pdf DOC070318-07032018150953.pdf DOC070318-07032018151253.pdf

Hi Martin,

Here is the term sheet and sub docs. We bought CAD $8MM.

From: Scott Arbuckle
Sent: September-05-18 11:41 AM
To: Moral, Martin <Martin.Moral@tdsecurities.com>; Ameez Allidina <aallidina@ansonfunds.com>
Cc: Anson Operations <operations@ansonfunds.com>; Moez Kassam <mkassam@ansonfunds.com>; Amin Nathoo <anathoo@ansonfunds.com>; Jay Lubinsky <jay@ansonfunds.com>; Banquier, Steve <Steve.Banquier@tdsecurities.com>; Healy, Sarah <Sarah.Healy@tdsecurities.com>
Subject: RE: MMEN Convertible

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Final Term Sheet

CannaRoyalty Corp.

Private Placement of 8.0% Convertible Debentures

Up to $30,000,000

June 19, 2018

Not for General Solicitation into the U.S. *- The securities will not be and have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States, and if sold in the United States will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act. The securities may be resold, pledged or otherwise transferred only pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act.*

Issuer:	CannaRoyalty Corp. ("**Company**").
Offered Securities:	8.0% unsecured convertible debentures (the "**Convertible Debentures**").
Size of Offering:	Up to $30,000,000 (the "**Offering**").
Offering Price:	$1,000 per Convertible Debenture.
Terms:	Fully marketed private placement.
Maturity:	Three years from the date the Convertible Debentures are issued.
Interest:	The Convertible Debentures shall bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing December 31, 2018. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The December 31, 2018 interest payment will represent accrued interest for the period from the Closing Date (as hereinafter defined) to December 31, 2018.
Conversion Privilege:	The Convertible Debentures will be convertible into common shares of the Company ("**Common Share**") at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date, and (ii) the date fixed for redemption (as set out in section entitled "**Change of Control**" below), at a conversion price of $6.25 per Common Share (the "**Conversion Price**"), subject to adjustment in certain customary events. Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, and including, the date of conversion.
Mandatory Conversion:	At any time following the date that is 4 months and one day following the Closing Date, the Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than $9.00 for any 10 consecutive trading days.

Change of Control:	Upon a Change of Control (as hereinafter defined) of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the Change of Control, at a price equal to 104% of the principal amount of the Convertible Debentures then outstanding plus accrued and unpaid interest thereon (the "**Offer Price**"). If 90% or more of the principal amount of the Convertible Debentures outstanding on the date of the notice of the Change of Control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price. For the purposes hereof, a "**Change of Control**" means (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A Change of Control will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity.
Over-Allotment Option:	Up to 15% of the number of Convertible Debentures issued pursuant to the Offering to cover any over-allotments and for market stabilization purposes, exercisable prior to the closing of the Offering.
Offering Jurisdictions:	All provinces of Canada, and in the United States by way of private placement to institutional accredited investors and outside of Canada and the United States on a private placement or equivalent basis.
Exchange:	Canadian Securities Exchange.
Eligibility:	The Convertible Debentures shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSAs and DPSPs.
Use of Proceeds:	To expand the Company's footprint across California and for working capital requirements and other general corporate purposes.
Commission:	4.50% of the gross proceeds raised in respect of the Offering (including the Over-Allotment Option).
Closing Date:	On or about July 12, 2018.
Lead Agent:	Canaccord Genuity Corp.

SUBSCRIPTION AGREEMENT

(Canadian and Non-United States Purchasers)

A completed and executed copy of this Subscription Agreement, including all applicable schedules hereto, must be delivered by no later than 4:00 p.m. (Toronto time) on July 5, 2018 to Canaccord Genuity Corp., 161 Bay Street, Suite 3000, P.O. Box 516, Toronto, Ontario, M5J 2S1, Attention: ecm@canaccordgenuity.com.

TO: **CANNAROYALTY CORP.** (the "**Corporation**")

AND TO: **CANACCORD GENUITY CORP.** (the "**Lead Agent**"), **ALTACORP CAPITAL INC., BEACON SECURITIES LTD., CORMARK SECURITIES INC., SPROTT CAPITAL PARTNERS, INFOR FINANCIAL INC., and MACKIE RESEARCH CAPITAL CORPORATION,** (together with the Lead Agent, the "**Agents**")

The undersigned (the "**Purchaser**"), on its own behalf and, if applicable, on behalf of those for whom the Purchaser is contracting hereunder, hereby irrevocably subscribes for and agrees to purchase the aggregate principal amount of unsecured convertible debentures of the Corporation (individually a "**Debenture**" and collectively, the "**Debentures**") as set out below, at a price of $1,000 per Debenture, subject to the following terms and conditions. This agreement, which for greater certainty includes and incorporates the attached Schedules, is referred to herein as the "**Subscription Agreement**". The Purchaser agrees to be bound by the terms and conditions set forth in the attached "Terms and Conditions of Subscription" including without limitation the representations, warranties and covenants set forth therein and in the Schedules attached thereto. The Purchaser further agrees, without limitation, that the Corporation and the Agents may rely on the Purchaser's representations, warranties and covenants contained in such documents.

The Offering (as hereinafter defined) is being made on a commercially reasonable efforts, fully marketed private placement basis. Pursuant to the Agency Agreement (as hereinafter defined), the Agents have agreed to act as agents in respect of the Offering.

Price Per Debenture: $1,000

Number of Debentures Purchased: 1,250 **Total Purchase Price:** $ 1,250,000

Number of Common Shares of the Corporation currently owned (directly or indirectly) by the Purchaser (or any Beneficial Purchaser) and/or number of Common Shares of the Corporation issuable upon conversion of convertible securities owned (directly or indirectly) by the Purchaser: 75,000

Name and Address of Purchaser

Anson Advisors Inc.
(Name of Purchaser - please print)

#207-155 University Ave.
(Purchaser's Address)

Toronto, Ontario M5H 3B7

by: Director
(Official Capacity or Title - please print)

1-416-447-8874
(Telephone Number)

X _____
Authorized Signature

Moez Kassam
(Please print name of individual whose signature appears above if different than the name of the Purchaser printed above.)

Details of Beneficial Purchaser (i.e. the party for whom the undersigned is contracting, if not the same as the Purchaser identified above). If the Purchaser is signing as agent for a principal and is not deemed to be purchasing as principal pursuant to NI 45-106 (as defined herein) by virtue of being either: (i) a trust company or trust corporation acting on behalf of a fully managed account managed by the trust company or trust corporation; or (ii) a person acting on behalf of a fully managed account managed by it, and in each case satisfying the criteria set forth in NI 45-106, please ensure that Schedule "B" is completed on behalf of such principal.

(Name of Principal – please print)

(Principal's Address)

(if space is inadequate please attach a schedule containing the necessary information)

(Telephone Number)

Purchaser Registration Instructions:

Investor Company ITF 5J5904
Name
AC Anson Investments Ltd.

Account reference, if applicable

77 Bloor St. W. 3rd floor
Address
Toronto, Ontario M5S 1M2

Purchaser Delivery Instructions:

Anson Advisors Inc.
Name

Account reference, if applicable

Zahra Haider
Contact Name
#207 - 155 University Ave.
Address
Toronto, Ontario M5H 3B7

1-416-447-8874
Telephone Number
operations@ansonfunds.com
Facsimile Number

Execution by the Purchaser above shall constitute an irrevocable offer and agreement by the Purchaser to subscribe for the securities described herein on the terms and conditions herein set out. The Corporation shall be entitled to rely on the delivery of a PDF copy or on execution by other electronic means of this Subscription Agreement, and acceptance by the Corporation of such PDF or execution by other electronic means of this Subscription Agreement shall be legally effective to create a valid and binding agreement between the Purchaser and the Corporation in accordance with the terms and conditions hereof.

THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

ACCEPTANCE

The foregoing is acknowledged, accepted and agreed to this _____ day of _____, 2018 on the terms and conditions contained in this Subscription Agreement.

CANNAROYALTY CORP.

Per: _____
Authorized Signatory

TERMS AND CONDITIONS OF SUBSCRIPTION

1. **Subscription and Offering.**

The Purchaser hereby tenders to the Corporation this subscription which, subject to and upon acceptance by the Corporation, will constitute an irrevocable agreement of the Purchaser to purchase from the Corporation, and of the Corporation to sell to the Purchaser, that number of Debentures set out on the face page hereof (the "**Purchased Debentures**"), at a price of $1,000 per Purchased Debenture, all on the terms and subject to the conditions set out in this Subscription Agreement. The Purchased Debentures form part of a larger offering (the "**Offering**") of Debentures for aggregate gross proceeds in the amount of up to $30,000,000 (the "**Initial Debentures**") pursuant to the terms of an agency agreement (the "**Agency Agreement**") to be entered into on the Closing Date (as hereinafter defined) between the Corporation and the Agents.

The Offering is being made by the Agents on a fully marketed private placement basis. Pursuant to the Agency Agreement, the Agents have agreed to use their commercially reasonable efforts to arrange for purchasers of up to $30,000,000 principal amount of Debentures. In addition, the Corporation has granted the Agents an option (the "**Agents' Option**") to use their commercially reasonable efforts to arrange for purchasers of up to an additional 4,500 Debentures having terms identical to the Initial Debentures (the "**Additional Debentures**") and, together with the Initial Debentures, the "**Offered Securities**"), exercisable at any time prior to the closing of the Offering. The Agents' Option is exercisable, in whole or in part, at any time prior to the closing of the Offering. For further clarity, all references to "Offered Securities" include any Additional Debentures, and all references to the "Offering" include any exercise of the Agents' Option.

The net proceeds of the Offering are expected to be used to expand the Company's footprint across California and other general corporate purposes.

2. **Terms of the Debentures**

Each Debenture shall bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing December 31, 2018. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The December 31, 2018 interest payment will represent accrued interest for the period from the Closing Date to December 31, 2018. The Debentures will be convertible into common shares of the Company ("**Common Share**") at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date (as defined herein), and (ii) the date fixed for redemption (as more particularly set out in the Term Sheet upon a "Change of Control"), at a conversion price of $6.25 per Common Share (the "**Conversion Price**"), subject to adjustment in certain customary events. At any time following the date that is four (4) months and one day following the Closing Date, the Company may force the conversion of the principal amount of the then outstanding Debentures at the Conversion Price on not less than thirty (30) days' notice should the daily volume weighted average trading price of the Common Shares be greater than $9.00 for any ten (10) consecutive trading days. Holders converting their Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, and including, the date of conversion.

A summary of the material terms of the Debentures is included in the Term Sheet attached as Schedule "A"; however, reference should be made to the Indenture (as hereinafter defined) for the definitive terms of the Debentures. In the event of a conflict or inconsistency between the provisions hereof, including the Term Sheet, and the Indenture the Indenture shall be paramount and govern.

3. **Definitions**. In addition to terms defined elsewhere in this Subscription Agreement, in this Subscription Agreement, unless the context otherwise requires:

(a) "**affiliate**", "**distribution**" and "**insider**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

(b) "**Business Day**" means any day other than a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario;

(c) "**CDS**" means CDS Clearing and Depository Services Inc.;

(d) "**Closing**" means the completion of the offer, issue and sale by the Corporation of the Debentures pursuant to the Agency Agreement and the Subscription Agreements with Purchasers of the Debentures;

(e) "**Closing Date**" means July 12, 2018, or such other date as the Corporation and the Lead Agent may agree pursuant to the provisions of the Agency Agreement;

(f) "**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or such other time as the Corporation and the Lead Agent may agree pursuant to the provisions of the Agency Agreement;

(g) "**CSE**" means the Canadian Securities Exchange;

(h) "**Designated Jurisdictions**" means the provinces and territories of Canada in which Purchasers are resident;

(i) "**Indenture**" means the debenture indenture dated the Closing Date as between a duly licensed trust company to be determined between the Corporation and the Lead Agent, and the Corporation, pursuant to which the Debentures will be issued and providing for the definitive terms of the Debentures;

(j) "**Information**" means all information regarding the Corporation which has been publicly filed by the Corporation, and includes, but is not limited to, all news releases, material change reports and financial statements of the Corporation;

(k) "**Maturity Date**" means the date that is three years following the Closing Date;

(l) "**NI 45-102**" means National Instrument 45-102 – *Resale Restrictions*;

(m) "**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions*;

(n) "**person**" means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

(o) "**Personal Information**" means any information about a person (whether an individual or otherwise) and, with respect to the Purchaser, includes information contained in this Subscription Agreement and the Schedules incorporated by reference herein;

(p) "**Purchasers**" means, collectively, all purchasers of the Debentures pursuant to the Offering, including the Purchaser and each beneficial purchaser for whom a Purchaser is acting pursuant to this Subscription Agreement;

(q) "**Securities Commissions**" means, collectively, the applicable securities commission or other securities regulatory authority in each of the Designated Jurisdictions;

(r) "**Securities Laws**" means, collectively, the applicable securities laws of each of the Designated Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the Securities Commissions;

(s) "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

(t) "**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and

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

4. **Delivery and Payment.** The Purchaser agrees that the following shall be delivered to the Lead Agent, at the address and by the date and time set out on the face page hereof, or such other place, date or time as the Agents may advise:

(a) a completed and duly signed copy of this Subscription Agreement;

(b) if the Purchaser or beneficial purchaser, if any, is purchasing the Purchased Debentures as an "**accredited investor**" as defined in NI 45-106, a duly completed and executed copy of the Accredited Investor Status Certificate in the form attached hereto as Schedule "B" (including Exhibit I – Risk Acknowledgement Form for Individual Accredited Investors if the Purchaser falls under paragraphs j, k or l of the definition of "accredited investor");

(c) if the Purchaser is resident in or otherwise subject to applicable securities laws of a jurisdiction other than Canada or the United States, a duly completed and executed Foreign Purchaser's Certificate in the form attached hereto as Schedule "C";

(d) the Purchaser shall deliver the Total Purchase Price payable in respect of the Purchased Debentures subscribed for hereby to the Lead Agent not later than 8:00 a.m. (Toronto time) one Business Day before the Closing Date, by wire transfer, certified cheque or bank draft drawn on a Canadian chartered bank or trust company in Canadian dollars and payable to "Canaccord Genuity Corp." or in such other manner as may be specified by the Agents; and

(e) any other documents required by Securities Laws which the Corporation or the Agents may request.

The Purchaser, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, acknowledges and agrees that such documents, when executed and delivered by the Purchaser, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Purchaser hereunder in favour of the Corporation and the Agents. The Purchaser and each such beneficial purchaser consents to the filing of such documents as may be required to be filed with the Securities Commissions in connection with the transactions contemplated hereby. The Purchaser and each such beneficial purchaser acknowledges and agrees that this offer, the Total Purchase Price and any other documents delivered in connection herewith will be held by the Agents until such time as the conditions set out in the Agency Agreement are satisfied by the Corporation or waived by the Agent.

The Corporation and the Agents shall be entitled to rely on the delivery of a PDF copy or on execution by other electronic means of this Subscription Agreement, and acceptance by the Corporation of such PDF or execution by other electronic means of this Subscription Agreement shall be legally effective to create a valid and binding agreement between the Purchaser and the Corporation in accordance with the terms and conditions hereof. If less than a complete copy of this Subscription Agreement is delivered to the Corporation on Closing, the Corporation and the Agents shall be entitled to assume that the Purchaser accepts and agrees with all terms and conditions of this Subscription Agreement on pages not delivered at Closing unaltered. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

5. **Closing.** The closing of the Offering will take place at 8:00 a.m. (Toronto time) (the "**Closing Time**") at the offices of counsel to the Company on July 12, 2018, or such other date that is mutually agreed upon in writing by the Corporation and the Agents, at which time delivery of the Offered Securities will be made, and the disbursements, expenses and commissions of the Agents will be paid, to the Lead Agent, against delivery to the Company of the gross proceeds of the Offering.

If, immediately prior to the Closing Time, the terms and conditions contained in this Subscription Agreement or the Agency Agreement have not been complied with to the satisfaction of the Agents or the Corporation, as applicable, or duly waived, the Agents or the Corporation, as applicable will promptly provide notice in writing of such breach or non-compliance to the Agents, the Corporation and the Purchaser, as applicable and each of the Agents, the Corporation and the Purchaser will have no further obligations under this Subscription Agreement.

The Lead Agent is hereby appointed as the Purchaser's agent and attorney to represent the Purchaser, and any beneficial purchaser for whom the Purchaser is acting, at the Closing for the purpose of all closing matters, deliveries of documents (including, without limitation, the delivery of certificate(s) representing the Debentures, if any, or the deposit thereof with CDS), and is hereby irrevocably authorized by the Purchaser for and on behalf of the Purchaser, and any beneficial purchaser for whom the Purchaser is acting as agent or trustee, to extend such time periods and modify or waive such conditions as may be contemplated herein or in the Agency Agreement or, in its absolute discretion, as it deems appropriate. Without limiting the generality of the foregoing, the Lead Agent is specifically and exclusively authorized to: (a) waive representations and warranties, covenants or conditions in favour of the Purchaser or the Agents contained in this Subscription Agreement and the Agency Agreement; (b) correct minor errors or omissions in the information provided by the Purchaser in this Subscription Agreement (including, for greater certainty, the Schedules attached hereto) and any other documents or forms delivered by the Purchaser in connection with the transactions contemplated hereby, if any; and (c) provide the Corporation alternative registration instructions with respect to the Debentures subscribed for pursuant to this Subscription Agreement, and any such instructions provided by the Lead Agent to the Corporation will supersede any registration instructions provided by the Purchaser in this Subscription Agreement. In addition, the Purchaser and each beneficial purchaser, if any, acknowledges and agrees that the Agents are entitled to exercise or not to exercise, in their absolute discretion, the rights of termination under the Agency Agreement.

The Purchaser will take up, purchase and pay for the Purchased Debentures at the Closing upon acceptance of this offer by the Corporation and the satisfaction by the Corporation, or waiver by the Agents, of the conditions set out in the Agency Agreement.

It is anticipated that except in certain limited instances in which certain Purchasers may settle subscriptions directly with the Corporation in certified form, the Debentures to be issued pursuant to the Offering will be deposited with CDS via global certificate or electronically, in each case, through the book-entry only system administered by CDS on the Closing Date in accordance with the Debenture Indenture, as applicable. Unless otherwise agreed by the Corporation, the Purchaser will not be entitled to receive definitive certificates or other instruments from the Corporation or CDS representing their interest in the securities purchased hereunder. Except in certain limited instances, it is anticipated that the Purchaser will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Debentures are purchased against payment of the Total Purchase Price. The ability of the Purchaser to pledge such securities or otherwise take action with respect to the Purchaser's interest in the Debentures, if applicable, may be limited due to the lack of a physical certificate.

The Purchaser agrees to do, execute, acknowledge and deliver all such further documents, assignments, transfers, agreements and other assurances as may be reasonably necessary or desirable to give full effect to this Subscription Agreement. Without limiting the foregoing, the Lead Agent is hereby irrevocably appointed as the true and lawful attorney of the Purchaser with full power of substitution with authority to do all things and execute and deliver, on behalf of and in the name of the Purchaser, such deeds, transfers, share certificates or other documents as may be necessary or desirable to give effect to the foregoing, and the Purchaser shall have no claim or cause of action against the Corporation, the Agents or any third party, as a result of the Lead Agent so acting as its attorney. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the insolvency or bankruptcy of the Purchaser, and the Purchaser hereby ratifies and confirms and agrees to ratify and confirm all that such attorney may lawfully do or cause to be done by virtue of such appointment and power.

6. **Representations, Warranties and Covenants of the Corporation. By accepting this offer, the** Corporation agrees that the Purchaser will have the benefit of all the representations, warranties and covenants given by the Corporation in the Agency Agreement as if the Purchaser was a party to such Agency Agreement and a direct beneficiary of such provisions and further agrees that all such representations, warranties and covenants will be deemed to be incorporated herein as if they were reproduced in their entirety, with such changes as are necessary in order to reflect that such representations, warranties and covenants are being made by the Corporation to the Purchaser, to the extent that such representations, warranties and covenants are not amended or waived by the Agents. The Purchaser agrees that the amount of any claim based on the Corporation's breach of a representation, warranty or covenant contained in the Agency Agreement shall be limited to the amount of the Total Purchase Price of the Purchased Debentures.

7. **Conditions of Closing.** The Purchaser acknowledges that the Corporation's obligation to sell the Debentures to the Purchaser is subject to, among other things, the following conditions being satisfied at or prior to the Closing Time:

(a) delivery of all documents referred to in Section 4 in the manner contemplated therein;

(b) the fulfilment at or before the Closing Time of each of the conditions of the Closing set out in the Agency Agreement, except those conditions that are waived by the Agents or the Corporation, as applicable;

(c) the Corporation having obtained all required regulatory approvals (including those that may be required under Securities Laws and the CSE) to permit the sale of the Purchased Debentures;

(d) the offer, issue and sale and delivery of the Purchased Debentures being exempt from the requirements to file a prospectus pursuant to NI 45-106 or any similar document under applicable Securities Laws and other applicable securities laws relating to the sale of the Purchased Debentures, or the Corporation having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or delivering an offering memorandum or any similar document; and

(e) the representations and warranties of the Purchaser and each beneficial purchaser, if any, made in this Subscription Agreement being true and correct as at the Closing Time.

The Purchaser and each beneficial purchaser, if any, acknowledges and agrees that as the sale of the Debentures will not be qualified by a prospectus, and that such sale is subject to the condition that the Purchaser (or, if applicable, any beneficial purchasers for whom the Purchaser is contracting hereunder) sign and return to the Corporation or the Agents all relevant documentation required by the Securities Laws.

The Purchaser and each beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent acknowledges and agrees that the Corporation will be required to provide to certain Securities Commissions and the CSE a list setting out the identities of the beneficial purchasers of the Debentures. Notwithstanding that the Purchaser may be purchasing Debentures as an agent on behalf of an undisclosed principal (if permissible under the relevant Securities Laws or other applicable securities laws), the Purchaser agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Agents or the Corporation in order to comply with the foregoing.

8. **Acceptance or Rejection.** The Corporation will have the right to accept or reject this Subscription Agreement in whole or in part at any time at or prior to the Closing Time and the right to reduce the number of Debentures that the Purchaser is subscribing for hereunder. The Corporation will be deemed to have accepted this offer upon the Corporation's execution of the acceptance form at page 3 of this Subscription Agreement and the delivery (or deposit) of the Debentures or according to the direction of the Agents in accordance with the provisions of this Subscription Agreement and the Agency Agreement.

If this offer is rejected in whole, the Purchaser and each beneficial purchaser, if any, for whom the Purchaser is acting as agent or trustee, understands that any funds, certified cheques, or bank drafts delivered by the Purchaser representing the Total Purchase Price for the Purchased Debentures will be promptly returned to the Purchaser without interest or deduction. If this Subscription Agreement is accepted only in part, the Purchaser understands that a cheque representing the portion of the Total Purchase Price for that portion of its subscription for Purchased Debentures that is not accepted will be promptly delivered to the Purchaser without interest or deduction.

9. **Purchaser's Representations and Warranties.** The Purchaser represents and warrants (on its own behalf and on behalf of any beneficial purchaser for whom it is acting) to the Corporation and the Agents as follows and acknowledges that the Corporation and the Agents are relying on such representations and warranties in connection with the transactions contemplated in this Subscription Agreement:

(a) **Investment Suitability. THE PURCHASER, OR BENEFICIAL PURCHASER, IF ANY, FOR WHOM THE PURCHASER IS ACTING AS TRUSTEE OR AGENT, HAS SUCH**

KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS AFFAIRS AS TO BE CAPABLE OF EVALUATING THE MERITS AND RISKS OF THE INVESTMENT HEREUNDER IN THE PURCHASED DEBENTURES AND IS ABLE TO BEAR THE ECONOMIC RISK OF TOTAL LOSS OF SUCH INVESTMENT.

(b) **Authorization and Effectiveness**. If the Purchaser (or the beneficial purchaser) is an individual, he or she is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Purchaser (or the beneficial purchaser) is a corporation, the Purchaser (or the beneficial purchaser) is duly incorporated and is a valid and existing corporation under the laws of its governing jurisdiction, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Debentures and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Purchaser (or the beneficial purchaser) is a partnership, syndicate or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Debentures and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Corporation, this Subscription Agreement will constitute a legal, valid and binding agreement of the Purchaser and the beneficial purchaser enforceable against the Purchaser and the beneficial purchaser in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Purchaser's and beneficial purchaser's constating documents, by-laws or authorizing resolutions (if applicable), or any indenture, contract, agreement (whether written or oral), instrument or other document to which the Purchaser or the beneficial purchaser is a party or by which the Purchaser or the beneficial purchaser is bound or any law applicable to the Purchaser or the beneficial purchaser or any judgement, law applicable to the Purchaser or the beneficial purchaser, decree, order, statute, rule or regulation applicable to the Purchaser or the beneficial purchaser.

(c) **Residence**. The Purchaser, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, was offered the Purchased Debentures in, and is a resident of, the jurisdiction referred to under "Name and Address of Purchaser" and "Details of Beneficial Purchaser", respectively, set out on the face page and page 2 of this Subscription Agreement and intends that the Securities Laws of that jurisdiction govern any transaction involving the Debentures subscribed for by the Purchaser or any beneficial purchaser for whom it is contracting hereunder and that such addresses were not created and are not used solely for the purpose of acquiring the Purchased Debentures. The purchase and sale to the Purchaser of the Debentures, and any act, solicitation, conduct or negotiation, directly or indirectly, in furtherance of such purchase or sale has occurred only in such jurisdiction.

(d) **Private Placement Exemptions**. The Purchaser is eligible to purchase the Debentures pursuant to an exemption from the prospectus and registration requirements of the Securities Laws, and, if applicable, the Purchaser has properly completed, executed and delivered to the Corporation the applicable certificate (dated as of the date hereof) set forth in Schedule "B" indicating that the Purchaser fits within one of the exemption categories under applicable Securities Laws, and the information contained therein is true and correct and the representations, warranties and covenants contained in the applicable Schedules attached hereto will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time.

(e) **Purchasing as Principal**. Unless subsection 9(g) below applies, the Purchaser is purchasing the Purchased Debentures as principal (as defined under applicable Securities Laws) for its own account, and not for the benefit of any other person.

(f) **Purchasing for Investment Only**. Unless subsection 9(g) below applies, the Purchaser is purchasing the Purchased Debentures for investment only and not with a view to resale or distribution. The Purchaser (or beneficial purchaser) was not created or used solely to purchase or hold securities as described in the Accredited Investor Certificate provided in Schedule "B".

(g) **Purchasing as Agent or Trustee**.

(i) In the case of the purchase by the Purchaser of the Purchased Debentures as agent or trustee for any principal, the Purchaser is the duly authorized trustee or agent of such beneficial purchaser with due and proper power and authority to execute and deliver, on behalf of each such beneficial purchaser, this Subscription Agreement and all other documentation in connection with the purchase of the Purchased Debentures hereunder, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such beneficial purchaser were the Purchaser and the Purchaser's actions as trustee or agent are in compliance with applicable law and the Purchaser and each beneficial purchaser acknowledges that the Corporation is required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser of Purchased Debentures for whom it may be acting;

(ii) in the case of the purchase by the Purchaser of the Purchased Debentures as agent or trustee for any principal whose identity is disclosed or identified, each beneficial purchaser of the Purchased Debentures for whom the Purchaser is acting, is purchasing the Purchased Debentures: (1) as principal for its own account and not for the benefit of any other person; (2) for investment only and not with a view to resale or distribution and was not created or used solely to purchase or hold securities in reliance and it pre-existed the Offering and has a *bona fide* purpose other than investment in the Debentures; and (3) the beneficial purchaser is an "accredited investor" (as defined in NI 45-106 or the *Securities Act* (Ontario)); or

(iii) in the case of the purchase by the Purchaser of the Purchased Debentures on behalf of an undisclosed beneficial purchaser, the Purchaser is deemed under applicable Securities Laws to be purchasing as principal and is purchasing the Purchased Debentures as an accredited investor.

(h) **Broker**. Other than the Agents, there is no person acting or purporting to act on behalf of the Purchaser in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee.

(i) **Illegal Use of Funds**. None of the funds being used to purchase the Purchased Debentures are to the knowledge of the Purchaser and the beneficial purchaser, if any, proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Purchased Debentures which will be advanced by the Purchaser to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended (the "**PCMLTFA**") and the Purchaser and the beneficial purchaser, if any, acknowledge that the Corporation may in the future be required by law to disclose the Purchaser's name and the name of any beneficial purchaser and other information relating to this Subscription Agreement and the Purchaser's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge, none of the funds to be provided by the Purchaser or the beneficial purchaser are being tendered on behalf of a person or entity that has not been identified to the Purchaser. The Purchaser covenants to promptly notify the Corporation if the Purchaser discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.

(j) **Financial Assistance**. The Purchaser (and any beneficial purchaser) has not received, nor does it expect to receive any financial assistance from the Corporation, directly or indirectly, in respect of the purchase of the Purchased Debentures.

(k) **Resale Restrictions**. The Purchaser, and each beneficial purchaser for whom it is contracting hereunder, acknowledges that (i) it has been provided with the opportunity to consult its own legal advisors with respect to trading in the Debentures and the Common Shares issuable upon conversion thereof (the "**Underlying Securities**"), as applicable, and with respect to the resale restrictions, as applicable, imposed by the securities laws of the jurisdiction in which the Purchaser or any beneficial purchaser for whom it is contracting hereunder resides and other applicable securities laws; (ii) no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to the Debentures and the Underlying Securities which restrict the

ability of the Purchaser (or any beneficial purchaser for whom it is contracting hereunder) to resell such securities; (iii) it is solely responsible to find out what these restrictions are; (iv) it is solely responsible (and neither the Corporation nor the Agents are in any way responsible) for compliance with applicable resale restrictions; and (v) it is aware that it may not be able to resell the Debentures except in accordance with limited exemptions under the Securities Laws and other applicable securities laws.

(l) **No Purchase or Offer in United States**. The Purchaser, or beneficial purchaser, if any, for whom it is acting as trustee or agent:

(i) is a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a professional fiduciary organized, incorporated, or (if an individual) resident in the United States; or

(ii) is not, and is not purchasing the Purchased Debentures for the account or benefit of, a U.S. Person under the U.S. Securities Act or for resale in the United States or to a U.S. Person in violation of United States federal or state securities laws, was not offered the Purchased Debentures in the United States, at the time the purchase order originated was outside the United States, and did not execute or deliver this Subscription Agreement or related documents in the United States; and

(iii) acknowledges that neither the Debentures nor the Underlying Securities have been registered under the U.S. Securities Act or the securities laws of any state, and such securities may not be offered or sold in the United States or to a U.S. Person, unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available, and agrees not to offer or sell the Debentures or Underlying Securities in the United States or to a U.S. Person, unless registered under the U.S. Securities Act or an exemption from registration under the U.S. Securities Act and applicable state securities laws is available.

(m) **Corporation or Unincorporated Organization**. If the Purchaser, or any beneficial purchaser for whom it is acting as trustee or agent, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Purchaser or such beneficial purchaser was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption.

(n) **Absence of Offering Memorandum or Similar Document**. The Purchaser, or beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, has not received, has not requested and does not have any need to receive, any offering memorandum or any other document describing the business and affairs of the Corporation, and no document has been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Purchased Debentures.

(o) **Absence of Advertising**. The offering and sale of the Purchased Debentures to the Purchaser and beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, was not made or solicited through, and the Purchaser and each such beneficial purchaser is not aware of, any general solicitation or general advertising with respect to the offering of the Debentures, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the Internet, including but not limited to the Corporation's website), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(p) **International Purchasers**. If the Purchaser is a resident of a country other than Canada or the United States (an "**International Jurisdiction**"), then in addition to the other representations and warranties contained herein, the Purchaser represents and warrants that:

(i) the Purchaser is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction which would apply to this Subscription Agreement, if any;

(ii) the Purchaser is purchasing the Purchased Debentures, and will receive the Underlying Securities, pursuant to exemptions from any prospectus, registration or similar requirements under the applicable securities laws of that International Jurisdiction or, if such is not applicable, the Purchaser is permitted to purchase the Purchased Debentures, and will receive the Underlying Securities, under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption;

(iii) the applicable securities laws do not require the Corporation to file a prospectus, registration statement or similar document or to register the Debentures or the Underlying Securities, or to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction;

(iv) the delivery of this Subscription Agreement, the acceptance of it by the Corporation and the issuance of the Debentures and the Underlying Securities to the Purchaser complies with or will comply with, as applicable, all applicable laws of the Purchaser's jurisdiction of residence or domicile and all other applicable laws and will not cause the Corporation to become subject to or comply with any disclosure, prospectus or reporting requirements under any such applicable laws; and

(v) the Purchaser has properly completed, executed and delivered to the Corporation (dated as of the date hereof) the Foreign Purchaser's Certificate set forth in Schedule "C", and the information contained therein is true and correct and the representations and warranties and covenants contained therein will be true and correct both as of the date of execution of this Subscription Agreement and as of the Closing Time.

(q) **No Undisclosed Information**. The decision of the Purchaser or beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, to tender this Subscription Agreement and acquire the Purchased Debentures has not been made as a result of any oral or written representation as to fact or otherwise made by or on behalf of the Corporation, the Agents or any other person and is based entirely upon this Subscription Agreement. The Purchaser, or beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, has relied only on the information contained in this Subscription Agreement in making the decision to subscribe for the Purchased Debentures hereunder. Except for the Purchaser's knowledge regarding its subscription for Debentures hereunder, the Purchaser has no knowledge of a "material fact" or a "material change" (as those terms are defined in the applicable Securities Laws) in the affairs of the Corporation that has not been generally disclosed.

The Purchaser and each beneficial purchaser, if any, acknowledges and agrees that the foregoing representations and warranties are made by it with the intention that they may be relied upon by the Corporation and the Agents, and their respective counsel, for, among other things, determining the Purchaser's eligibility or, if applicable, the eligibility of the beneficial purchaser on whose behalf it is contracting hereunder to purchase the Purchased Debentures under applicable securities laws (including the Securities Laws). The Purchaser and each beneficial purchaser further agrees that by accepting delivery of the Purchased Debentures on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Date with the same force and effect as if they had been made by the Purchaser and each beneficial purchaser at the Closing Time and that they shall survive the purchase by the Purchaser of the Purchased Debentures and shall continue in full force and effect. The Purchaser and each beneficial purchaser undertakes to notify the Corporation immediately of any change in any representation, warranty or other information relating to the Purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

10. **Purchaser's Acknowledgements.** The Purchaser (on its own behalf and on behalf of any beneficial purchaser for whom it is acting) acknowledges and agrees that:

(a) The securities of the Corporation are not listed or quoted on any exchange or market other than the listing of the Corporation's Common Shares on the CSE, and the Corporation has no obligation to list its securities on any other exchange or market other than as set out herein.

(b) **THERE ARE RISKS ASSOCIATED WITH THE PURCHASE OF THE PURCHASED DEBENTURES AND THE PURCHASER IS CAPABLE OF BEARING THE ECONOMIC RISK OF THE INVESTMENT.**

(c) No agency, securities commission, governmental authority, regulatory body, stock exchange or other entity has reviewed, passed on, made any finding or determination as to the merit for investment of, and no such agencies, securities commissions, or governmental authorities have made any recommendation or endorsement with respect to the Debentures or the offering thereof and there is no government or other insurance covering the Debentures.

(d) The purchase of the Purchased Debentures has not been nor will be (as applicable) made through, or as a result of, and the distribution of the Purchased Debentures is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(e) The Purchased Debentures are being offered for sale only on a "private placement" basis. No prospectus or other offering document has been or will be filed by the Corporation with a Securities Commission or other securities regulatory authority in any province of Canada, or any other jurisdiction in or outside of Canada in connection with the issuance of the Debentures (or the Underlying Securities), and such issuances are exempt from the prospectus requirements otherwise applicable under the provisions of Securities Laws and, as a result, in connection with its purchase of the Purchased Debentures hereunder, as applicable:

(i) the Purchaser and each beneficial purchaser, if any, is not entitled to most of the protections, rights and remedies otherwise available under applicable Securities Laws including, without limitation, statutory rights of rescission or damages;

(ii) the Purchaser and each beneficial purchaser, if any, will not receive information that may otherwise be required to be provided to the Purchaser and each beneficial purchaser, if any, under applicable Securities Laws or contained in a prospectus prepared in accordance with applicable Securities Laws;

(iii) the Corporation is relieved from certain obligations that would otherwise apply under applicable Securities Laws; and

(iv) there are restrictions on the Purchaser's ability to resell the Debentures and the Underlying Securities and it is the responsibility of the Purchaser and each beneficial purchaser to find out what these restrictions are and to comply with them before selling such securities and neither the Corporation nor any of the Agents is in any manner responsible for complying with such restrictions.

(f) In consideration of the services to be provided by the Agents to the Company, the Agents shall receive, at the closing of the Offering, a cash commission equal to 4.50% of the gross proceeds raised in the Offering (the "**Cash Commission**").

(g) All costs and expenses incurred by the Purchaser and each beneficial purchaser, if any, relating to the purchase of the Purchased Debentures (including any fees and disbursements of legal counsel retained by the Purchaser or beneficial purchaser) shall be borne by the Purchaser and each beneficial purchaser, if any.

(h) The certificates representing the Debentures and the Underlying Securities, if issued prior to the expiration of applicable hold periods (and any replacement certificate issued prior to the expiration of the applicable hold periods), or ownership statements issued under a direct registration system or other electronic book-based or book-entry system, will bear a legend in accordance with the Securities Laws. For the Debentures and the Underlying Securities issued pursuant to the Offering, the following legend is required by section 2.5 of NI 45-102:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE]**

(i) In the event that the Corporation is required by applicable Securities Laws to provide written notice containing the foregoing legend to the beneficial purchaser of the Purchased Debentures, the Purchaser and such beneficial purchaser acknowledge that notice shall be deemed to have been given and received on the date on which such notice was delivered to the address of such beneficial purchaser provided on the face page hereof.

(j) No person has made any written or oral representations: (i) that any person will resell or repurchase the Purchased Debentures; (ii) that any person will refund any portion of the Total Purchase Price (except in accordance with the Indenture); or (iii) as to the future price or value of the Debentures or the Underlying Securities.

(k) The Corporation may complete additional financings in the future to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such financing may have a dilutive effect on the Purchaser.

(l) In purchasing the Purchased Debentures, the Purchaser (and, if applicable, the beneficial purchaser, if any), has relied solely upon this Subscription Agreement (including, for greater certainty, the term sheet attached as Schedule "A" hereto) and publicly available Information relating to the Corporation, not upon any verbal or written representation as to any fact or otherwise made by or on behalf of the Corporation or the Agents or any employee, agent or affiliate thereof or any other person associated therewith. The Agents assume no responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information upon which the Purchaser's or the beneficial purchaser's, if any, investment decision has been made or as to whether all information concerning the Corporation required to be disclosed by the Corporation has been disclosed. The Agents' counsel, DLA Piper (Canada) LLP, and the Corporation's counsel, Cassels Brock & Blackwell LLP, are entitled to the benefit of this subsection.

(m) The Purchaser and each beneficial purchaser is solely responsible for obtaining such legal advice and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement and the completion of the transactions contemplated hereby.

(n) The Purchaser and each beneficial purchaser acknowledge that this Subscription Agreement requires the Purchaser and each beneficial purchaser to provide certain Personal Information to the Corporation. Such information is being collected by the Corporation for the purposes of completing the Offering, which includes, without limitation, determining the eligibility of the Purchaser and each beneficial purchaser to purchase the Debentures under applicable Securities Laws, preparing and registering certificates representing the Debentures and completing filings required by the Securities Commissions. Personal Information of the Purchaser and each beneficial purchaser may be disclosed by the Corporation or the Agents to: (i) stock exchanges, the Securities Commissions or to other securities regulatory authorities, (ii) the registrar and transfer agent of the Corporation, and (iii) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Purchaser and each beneficial purchaser is deemed to be consenting to the foregoing collection, use and disclosure of their respective Personal Information. The Purchaser and each beneficial purchaser also consent to the filing of copies or originals of any of the Purchaser's documents described in section 4 hereof as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby.

(o) The Purchaser agrees that if the Purchaser transfers any of the Debentures or the Underlying Securities issuable upon conversion thereof, as applicable, during the period commencing on the Closing Date until the expiry of any restricted period prescribed by NI 45-102, the Purchaser will deliver to such subsequent transferee a written ownership statement that sets out the details of the applicable restricted period in respect of the Debentures or the Underlying Securities and the legend endorsed on such

Debentures or the Underlying Securities, as applicable, as set forth in section 10(h) of this Subscription Agreement.

11. **Further Acknowledgements of the Purchaser.** The Purchaser hereby acknowledges, agrees and consents to: (a) the disclosure of Personal Information to each of the Corporation, a stock exchange or the Securities Commissions; and (b) the collection, use and disclosure of Personal Information by the Corporation for corporate finance and shareholder communication purposes or such other purposes as are necessary to the Corporation's business. The Purchaser hereby acknowledges and consents to the collection, use, and disclosure of Personal Information by the Ontario Securities Commission, including the publishing or otherwise making available to the public Personal Information including, for individuals, their name, number and type of securities purchased, the purchase price therefor, and their insider or registrant status, if applicable, and for non-individual Purchasers, the above information and their address, contact person name and telephone number and the exemption relied upon. The Purchaser acknowledges and agrees that the Purchaser has been notified by the Corporation: (i) of the delivery to the Securities Commissions of Personal Information pertaining to the Purchaser included in Schedule 1 and 2 (if any) of Form 45-106F1, including, without limitation, the full name, residential address and telephone number of the Purchaser, the number and type of securities purchased and the Total Purchase Price paid in respect of the Purchased Debentures; (ii) that this information is being collected indirectly by the Securities Commissions under the authority granted to it in securities legislation; (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the Designated Jurisdictions; and (iv) that the title, business address and business telephone number of the public official in each of the provinces of Canada who can answer questions about the applicable Securities Commissions' indirect collection of the information is as listed below. The Purchaser and any beneficial subscriber consent to such disclosure of its Personal Information.

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403 297-6454
Toll free in Canada: 1 877 355-0585
Facsimile: 403 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604 899-6854
Toll free in Canada: 1 800 373-6393
Facsimile: 604 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204 945-2561
Toll free in Manitoba 1 800 655-5244
Facsimile: 204 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506 658-3060
Toll free in Canada: 1 866 933-2222
Facsimile: 506 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: 709 729-4189
Facsimile: 709 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: 902 424-7768
Facsimile: 902 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416 593- 8314
Toll free in Canada: 1 877 785-1555
Facsimile: 416 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902 368-4569
Facsimile: 902 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: 514 395-0337 or 1 877 525-0337
Facsimile: 514 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Secrétaire générale

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306 787-5842
Facsimile: 306 787-5899
Public official contact regarding indirect collection of information: Director

12. **Beneficial Purchasers.** Whether or not explicitly stated in this Subscription Agreement, any acknowledgement, representation, warranty, covenant or agreement made by the Purchaser in this Subscription Agreement, including the Schedules will be treated as if made by the beneficial purchaser for whom the Purchaser is acting as trustee or agent, if any.

13. **No Revocation.** The Purchaser and each beneficial purchaser, if any, agree that this offer is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Purchaser without the consent of the Corporation. Further, the Purchaser expressly waives and releases the Corporation and the Agent from all rights of withdrawal or rescission to which the Purchaser might otherwise be entitled pursuant to Securities Laws or otherwise at law.

14. **Assignment.** The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Purchaser and each beneficial purchaser, if any, the Corporation and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other parties. For greater certainty, this Subscription Agreement may only be transferred or assigned by the Purchaser subject to compliance with applicable laws (including, without limitation, applicable Securities Laws) and with the express prior written consent of the Corporation.

15. **Indemnity**. The Purchaser and each beneficial purchaser, if any, agrees to indemnify and hold harmless the Corporation and the Agents and their respective directors, officers, employees, agents, advisers, shareholders and affiliates from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in

investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Purchaser or beneficial purchaser contained herein or in any document furnished by the Purchaser to the Corporation or the Agents in connection herewith being untrue in any material respect or any breach or failure by the Purchaser to comply with any covenant or agreement made by the Purchaser herein or in any document furnished by the Purchaser to the Corporation or the Agents in connection herewith.

16. **Miscellaneous and Counterparts.** All representations, warranties, agreements and covenants made or deemed to be made by the Purchaser and each beneficial purchaser, if any, herein will survive the execution and delivery, and acceptance, of this offer and the Closing and shall continue in full force and effect. All representations and warranties, agreements and covenants made or deemed to be made by the Corporation herein will survive the closing and shall continue in full force and effect in accordance with the Agency Agreement. This Subscription Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same document.

17. **Governing Law.** This Subscription 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 Purchaser, each beneficial purchaser, if any, and the Corporation hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

18. **Facsimile and E-Mail Subscriptions.** The Corporation shall be entitled to rely on the delivery of a PDF copy or on execution by other electronic means of this Subscription Agreement, and acceptance by the Corporation of such PDF or execution by other electronic means of this Subscription Agreement shall be legally effective to create a valid and binding agreement between the Purchaser and the Corporation in accordance with the terms and conditions hereof.

19. **Entire Agreement.** This Subscription Agreement (including the Schedules hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only. In the event of any inconsistency between the provisions of this Subscription Agreement and the Agency Agreement, the provisions of the Agency Agreement shall prevail.

20. **Language.** The Purchaser and each beneficial purchaser, if any, acknowledges its consent and requests that all documents evidencing or relating in any way to its purchase of Debentures be drawn up in the English language only. *Nous reconnaissons par les présentes avoir consenti et demandé que tous les documents faisant foi ou se rapportant de quelque manière à l'achat des titres soient rédigés en anglais seulement.*

21. **Time of Essence.** Time shall be of the essence of this Subscription Agreement.

22. **Currency.** Unless otherwise stated, all dollar amounts referred to in this Subscription Agreement are in Canadian Dollars.

SCHEDULE "A"

Indicative Term Sheet

CannaRoyalty Corp.

Private Placement of 8.0% Convertible Debentures

Up to $30,000,000

June 19, 2018

Not for General Solicitation into the U.S. *- The securities will not be and have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States, and if sold in the United States will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act. The securities may be resold, pledged or otherwise transferred only pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act.*

Issuer:	CannaRoyalty Corp. ("**Company**").
Offered Securities:	8.0% unsecured convertible debentures (the "**Convertible Debentures**").
Size of Offering:	Up to $30,000,000 (the "**Offering**").
Offering Price:	$1,000 per Convertible Debenture.
Terms:	Fully marketed private placement.
Maturity:	Three years from the date the Convertible Debentures are issued.
Interest:	The Convertible Debentures shall bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing December 31, 2018. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The December 31, 2018 interest payment will represent accrued interest for the period from the Closing Date (as hereinafter defined) to December 31, 2018.
Conversion Privilege:	The Convertible Debentures will be convertible into common shares of the Company ("**Common Share**") at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date, and (ii) the date fixed for redemption (as set out in section entitled "**Change of Control**" below), at a conversion price of $6.25 per Common Share (the "**Conversion Price**"), subject to adjustment in certain customary events. Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, and including, the date of conversion.
Mandatory Conversion:	At any time following the date that is 4 months and one day following the Closing Date, the Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than $9.00 for any 10 consecutive trading days.

Change of Control:	Upon a Change of Control (as hereinafter defined) of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the Change of Control, at a price equal to 104% of the principal amount of the Convertible Debentures then outstanding plus accrued and unpaid interest thereon (the "**Offer Price**"). If 90% or more of the principal amount of the Convertible Debentures outstanding on the date of the notice of the Change of Control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price. For the purposes hereof, a "**Change of Control**" means (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A Change of Control will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity.
Over-Allotment Option:	Up to 15% of the number of Convertible Debentures issued pursuant to the Offering to cover any over-allotments and for market stabilization purposes, exercisable prior to the closing of the Offering.
Offering Jurisdictions:	All provinces of Canada, and in the United States by way of private placement to institutional accredited investors and outside of Canada and the United States on a private placement or equivalent basis.
Exchange:	Canadian Securities Exchange.
Eligibility:	The Convertible Debentures shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSAs and DPSPs.
Use of Proceeds:	To expand the Company's footprint across California and for working capital requirements and other general corporate purposes.
Commission:	4.50% of the gross proceeds raised in respect of the Offering (including the Over-Allotment Option).
Closing Date:	On or about July 12, 2018.
Lead Agent:	Canaccord Genuity Corp.

SCHEDULE "B"

FORM OF CANADIAN ACCREDITED INVESTOR STATUS CERTIFICATE

The Purchaser (or, as the case may be, the disclosed principal on behalf of whom the Purchaser is contracting for) is an "accredited investor", as such term is defined in National Instrument 45-106 or subsection 73.3 of the *Securities Act* (Ontario), because, at the applicable Closing, the Purchaser falls within one or more of the following categories (Please check one or more, as applicable).

A Purchaser checking boxes (j), (k) or (l) must also complete and sign Appendix "I" to this Schedule "B" (Form 49-106 – Form for Individual Accredited Investors).

Please check the appropriate box(es)

☐ **(a)** a Canadian financial institution, or a Schedule III bank (or in Ontario, a bank listed in Schedule I, II or III to the *Bank Act* (Canada)),

☐ **(b)** the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),

☐ **(c)** a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,

☐ **(d)** a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,

☐ **(e)** an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d) or in Ontario, except as otherwise prescribed by the regulations under the Securities Act (Ontario);

☐ **(e.1)** an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),

☐ **(f)** the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,

☐ **(g)** a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,

☐ **(h)** any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,

☐ **(i)** a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,

☐ **(j)** an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000,

"**financial assets**" means (a) cash, (b) securities, or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation,

"**related liabilities**" means (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (b) liabilities that are secured by financial assets,

"**spouse**" means, an individual who, (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta),

if (j) is selected, please check the range of net financial assets which you beneficially own, either alone or combined with your spouse:

You alone:	*You combined with a spouse:*
☐ $0 to $2,000,000	☐ $0 to $3,000,000
☐ $2,000,001 to $3,000,000	☐ $3,000,001 to $4,000,000
☐ 3,000,001 to $4,000,000	☐ $4,000,001 to $5,000,000
☐ > $4,000,001	☐ > $5,000,001

☐ **(j.1)** an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $5 000 000,

"**financial assets**" means (a) cash, (b) securities, or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation,

"**related liabilities**" means (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (b) liabilities that are secured by financial assets,

if (j.1) is selected, please check the *range of net financial assets which you beneficially own, alone:*

☐ $0 to $5,000,000

☐ $5,000,001 to $7,000,000

☐ $7,000,001 to $10,000,000

☐ > $10,000,000

☐ **(k)** an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,

"**spouse**" means, an individual who, (a) is married to another individual and is not living separate and apart *within* the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph

(a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta),

if (k) is selected, please check the range of net income before taxes which <u>you</u> alone or in combination with your spouse have earned in each of the two most recent calendar years, alone:

☐ $0 to $100,000

☐ $100,001 to 200,000

☐ $200,001 to 300,000

☐ > $300,000

Please check the range of net income which <u>your</u> spouse has earned in each of the two most recent calendar years (only if applicable):

☐ $0 to $100,000

☐ $100,001 to 200,000

☐ $200,001 to 300,000

☐ > $300,000

☐ **(l)** an individual who, either alone or with a spouse, has net assets of at least $5,000,000,

"**spouse**" means, an individual who, (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta),

if (l) is selected, please check the range of net assets you **have**, *either alone or combined with your spouse:*

☐ $0 to $5,000,000

☐ $5,000,001 to $10,000,000

☐ > $10,000,001

☐ **(m)** a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements,

☐ **(n)** an investment fund that distributes or has distributed its securities only to

(i) a person that is or was an accredited investor at the time of the distribution,

a person that acquires or acquired securities in the circumstances referred to in sections 2.10 *[Minimum amount investment]* or 2.19 *[Additional investment in investment funds]* of National Instrument 45-106, or

a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 *[Investment fund reinvestment]* of National Instrument 45-106,

☐ **(o)** an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,

☐ **(p)** a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,

☐ **(q)** a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,

☐ **(r)** a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,

☐ **(s)** an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,

☐ **(t)** a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,

☑ **(u)** an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,

☐ **(v)** a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor, or

☐ **(w)** a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse;

☐ **(x)** in Ontario, such other persons or companies as may be prescribed by the regulation under the Securities Act (Ontario)

*** If checking this category (x), please provide a description of how this category is met:

_____

_____

All amounts are in Canadian dollars.

As used in this Schedule "B", the following terms have the following meanings:

"**bank**" means a bank named in Schedule I or II of the *Bank Act* (Canada);

"Canadian financial institution" means

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or credit union league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"**company**" means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

"**control person**" has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds

(a) a sufficient number of any of the outstanding voting securities of an issuer so as to affect materially the control of the issuer, or

(b) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

"debt security" means any bond, debenture, note or similar instrument representing indebtedness, whether secured or unsecured;

"**director**" means

(a) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

"**eligibility adviser**" means

(a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and

(b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not

(i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and

(ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous **[12]** months;

"**entity**" means a company, syndicate, partnership, trust or unincorporated organization;

"**executive officer**" means, for an issuer, an individual who is

(a) a chair, vice-chair or president,

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

(c) performing a policy-making function in respect of the issuer;

"**financial assets**" means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"**founder**" means, in respect of an issuer, a person who,

(a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and

(b) at the time of the distribution or trade is actively involved in the business of the issuer;

"**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"**investment fund**" has the same meaning as in National Instrument 81-106 Investment Fund Continuous Disclosure or in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec, and Saskatchewan has the same meaning as National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registration Obligations.

"**issuer**" means a person or company who has outstanding, issues or proposes to issue, a security;

"**person**" includes

(a) an individual,

(b) a corporation,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"**related liabilities**" means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

"**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"**spouse**" means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or

(c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

For the purpose hereof, an issuer is an **affiliate** of another issuer if

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same person.

"**voting security**" means any security other than a debt security of an issuer carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

For the purpose hereof, a person (first person) is considered to control another person (second person) if

(a) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,

(b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or

(c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

For the purpose hereof, for residents of Manitoba, "**distribution**" means a primary distribution to the public.

For the purpose hereof, for residents of Québec, "**trade**" refers to any of the following activities:

(a) the activities described in the definition of "dealer" in section 5 of the *Securities Act* (Québec), including the following activities:

(i) the sale or disposition of a security by onerous title, whether the terms of payment be on margin, installment or otherwise, but does not include a transfer or the giving in guarantee of securities in connection with a debt or the purchase of a security, except as providing in paragraph (b);

(ii) participation as a trader in any transaction in a security through the facilities of an exchange or a quotation and trade reporting system;

(iii) the receipt by a registrant of an order to buy or sell a security;

(b) a transfer or the giving in guarantee of securities of an issuer from the holdings of a control person in connection with a debt.

In NI 45-106 a person or company is an affiliate of another person or company if one is a subsidiary of the other, or if each of them is controlled by the same person or company.

In NI 45-106 and except in Part 2 Division 4 of NI 45-106, a person (first person) is considered to control another person (second person) if (a) the first person beneficially owns or, directly or indirectly, exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

In NI 45-106 a trust company or trust corporation described in paragraph (p) above of the definition of "accredited investor" (other than in respect of a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) is deemed to be purchasing as principal.

In NI 45-106 a person described in paragraph (q) above of the definition of "accredited investor" is deemed to be purchasing as principal.

The foregoing representation and warranty is true and accurate as of the date of this certificate and will be true and accurate as of the applicable Closing of the issue of Shares as set forth in the attached Share Purchase Agreement. If any such representation or warranty shall not be true and accurate at such Closing, the undersigned shall give immediate written notice of such fact to the Corporation.

Dated: July 3, 2018

Signed: 
×

Anson Advisors Inc.
Print Name of Purchaser

Moez Kassam - Director
If Purchaser is a Corporation, Print Name and Title of Authorized Signing Officer

APPENDIX I TO SCHEDULE "B"

Form 45-106F9 – Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Convertible Debentures	Issuer: CannaRoyalty Corp.
Purchased from: Issuer	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of $_____ . [*Instruction: Insert the total dollar amount of the investment.]*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
• Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be	

more than $300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature:	Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON

5. Salesperson information

First and last name of salesperson (please print):

Telephone:	Email:

Name of firm (if registered):

SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

6. For more information about this investment

CannaRoyalty Corp.
240 Richmond St W
Toronto, Ontario, Canada
M5V 1V6

Contact: Afzal Hasan, President and General Counsel
Telephone: 416.786.5068
Email: ahasan@cannaroyalty.com
Website: cannaroyalty.com

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

SCHEDULE "C"

FOREIGN PURCHASER'S CERTIFICATE
(Residents of Jurisdictions other than Canada and the United States)

Capitalized terms not specifically defined in this Schedule "C" have the meanings ascribed to them in the Subscription Agreement to which this Schedule "C" is attached.

In connection with the purchase by the undersigned Purchaser of the Purchased Debentures, the Purchaser, on its own behalf and on behalf of each of the beneficial purchasers for whom the Purchaser is acting, hereby represents, warrants, covenants and certifies to the Corporation and the Agents(and acknowledges that the Corporation, the Agents and their respective counsel are relying thereon) that:

(a) The Purchaser is, and each beneficial purchaser for whom the Purchaser may be acting as trustee or agent is, a resident of a country (an "**International Jurisdiction**") other than Canada or the United States and the decision to subscribe for the Debentures was taken in such International Jurisdiction.

(b) The delivery of the Subscription Agreement, the acceptance of it by the Corporation and the issuance of the Debentures to the Purchaser, or any beneficial purchasers for whom the Purchaser is acting, complies with all laws applicable to the Purchaser and such beneficial purchaser, including the laws of such purchaser's jurisdiction of residence, and all other applicable laws, and will not cause the Corporation to become subject to, or require it to comply with, any disclosure, prospectus, filing or reporting requirements under any applicable laws of the International Jurisdiction.

(c) The Purchaser, and each such beneficial purchaser, if any, is knowledgeable of, or has been independently advised as to, the application or jurisdiction of the securities laws of the International Jurisdiction that would apply to the subscription (other than the securities laws of Canada and the United States).

(d) The Purchaser, and each such beneficial purchaser, if any, is purchasing the Purchased Debentures pursuant to exemptions from the prospectus and registration requirements (or their equivalent) under the applicable securities laws of that International Jurisdiction or, if such is not applicable, each is permitted to purchase the Purchased Debentures under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption.

(e) The applicable securities laws do not require the Corporation to register any of the Purchased Debentures, file a prospectus or similar document, or make any filings or disclosures or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction.

(f) The Purchaser will, if requested by the Corporation, deliver to the Corporation a certificate or opinion of local counsel from the International Jurisdiction that will confirm the matters referred to in subparagraphs (b), (d) and (e) above to the satisfaction of the Corporation, acting reasonably.

(g) The Purchaser, and each such beneficial purchaser, if any, will not sell, transfer or dispose of the Purchased Debentures except in accordance with all applicable laws, including applicable securities laws of Canada and the United States, and the Purchaser, and each such beneficial purchaser, if any, acknowledges that the Corporation shall have no obligation to register any such purported sale, transfer or disposition which violates applicable Canadian or United States or other securities laws.

(h) Upon execution of this Schedule "C" by the Purchaser, this Schedule "C" shall be incorporated into and form an integral part of the Subscription Agreement.

The foregoing representations, warranties, covenants and certifications contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations, warranties, covenants and certifications shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Corporation and the Agents prior to the Closing Time.

Dated: _____

Signed: _____

_____
Witness (If Purchaser is an Individual)

_____
Print name of Purchaser

_____
Print Name of Witness

_____
If Purchaser is not an Individual, print name and title of Authorized Signing Officer

SUBSCRIPTION AGREEMENT

(Canadian and Non-United States Purchasers)

A completed and executed copy of this Subscription Agreement, including all applicable schedules hereto, must be delivered by no later than 4:00 p.m. (Toronto time) on July 5, 2018 to Canaccord Genuity Corp., 161 Bay Street, Suite 3000, P.O. Box 516, Toronto, Ontario, M5J 2S1, Attention: ecm@canaccordgenuity.com.

TO: **CANNAROYALTY CORP.** (the "**Corporation**")

AND TO: **CANACCORD GENUITY CORP.** (the "**Lead Agent**"), **ALTACORP CAPITAL INC., BEACON SECURITIES LTD., CORMARK SECURITIES INC., SPROTT CAPITAL PARTNERS, INFOR FINANCIAL INC., and MACKIE RESEARCH CAPITAL CORPORATION,** (together with the Lead Agent, the "**Agents**")

The undersigned (the "**Purchaser**"), on its own behalf and, if applicable, on behalf of those for whom the Purchaser is contracting hereunder, hereby irrevocably subscribes for and agrees to purchase the aggregate principal amount of unsecured convertible debentures of the Corporation (individually a "**Debenture**" and collectively, the "**Debentures**") as set out below, at a price of $1,000 per Debenture, subject to the following terms and conditions. This agreement, which for greater certainty includes and incorporates the attached Schedules, is referred to herein as the "**Subscription Agreement**". The Purchaser agrees to be bound by the terms and conditions set forth in the attached "Terms and Conditions of Subscription" including without limitation the representations, warranties and covenants set forth therein and in the Schedules attached thereto. The Purchaser further agrees, without limitation, that the Corporation and the Agents may rely on the Purchaser's representations, warranties and covenants contained in such documents.

The Offering (as hereinafter defined) is being made on a commercially reasonable efforts, fully marketed private placement basis. Pursuant to the Agency Agreement (as hereinafter defined), the Agents have agreed to act as agents in respect of the Offering.

Price Per Debenture: $1,000

Number of Debentures Purchased: 750 **Total Purchase Price:** $ 750,000

Number of Common Shares of the Corporation currently owned (directly or indirectly) by the Purchaser (or any Beneficial Purchaser) and/or number of Common Shares of the Corporation issuable upon conversion of convertible securities owned (directly or indirectly) by the Purchaser: 50,000

Name and Address of Purchaser

Anson Advisors Inc
(Name of Purchaser - please print)

by: Director
(Official Capacity or Title - please print)

X _____
Authorized Signature

Moez Kassam
(Please print name of individual whose signature appears above if different than the name of the Purchaser printed above.)

#207-155 University Ave.
(Purchaser's Address)

Toronto, Ontario M5H 3B7

1-416-447-8874
(Telephone Number)

Details of Beneficial Purchaser (i.e. the party for whom the undersigned is contracting, if not the same as the Purchaser identified above). If the Purchaser is signing as agent for a principal and is not deemed to be purchasing as principal pursuant to NI 45-106 (as defined herein) by virtue of being either: (i) a trust company or trust corporation acting on behalf of a fully managed account managed by the trust company or trust corporation; or (ii) a person acting on behalf of a fully managed account managed by it, and in each case satisfying the criteria set forth in NI 45-106, please ensure that Schedule "B" is completed on behalf of such principal.

(Name of Principal – please print)	(Principal's Address)
(if space is inadequate please attach a schedule containing the necessary information)	(Telephone Number)

Purchaser Registration Instructions:

Investor Company ITF 5J5988
Name
Anson Opportunities Master Fund
Account reference, if applicable
77 Bloor St. W. 3rd floor
Address
Toronto, Ontario M5S 1M2

Purchaser Delivery Instructions:

Anson Advisors Inc.
Name
Account reference, if applicable
Zahra Heider
Contact Name
#207- 155 University Ave.
Address
Toronto, Ontario M5H 3B7
1-416-447-8874
Telephone Number
operations@ansonfunds.com
Facsimile Number

Execution by the Purchaser above shall constitute an irrevocable offer and agreement by the Purchaser to subscribe for the securities described herein on the terms and conditions herein set out. The Corporation shall be entitled to rely on the delivery of a PDF copy or on execution by other electronic means of this Subscription Agreement, and acceptance by the Corporation of such PDF or execution by other electronic means of this Subscription Agreement shall be legally effective to create a valid and binding agreement between the Purchaser and the Corporation in accordance with the terms and conditions hereof.

THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

ACCEPTANCE

The foregoing is acknowledged, accepted and agreed to this _____ day of _____, 2018 on the terms and conditions contained in this Subscription Agreement.

CANNAROYALTY CORP.

Per: _____
Authorized Signatory

TERMS AND CONDITIONS OF SUBSCRIPTION

1. **Subscription and Offering.**

The Purchaser hereby tenders to the Corporation this subscription which, subject to and upon acceptance by the Corporation, will constitute an irrevocable agreement of the Purchaser to purchase from the Corporation, and of the Corporation to sell to the Purchaser, that number of Debentures set out on the face page hereof (the "**Purchased Debentures**"), at a price of $1,000 per Purchased Debenture, all on the terms and subject to the conditions set out in this Subscription Agreement. The Purchased Debentures form part of a larger offering (the "**Offering**") of Debentures for aggregate gross proceeds in the amount of up to $30,000,000 (the "**Initial Debentures**") pursuant to the terms of an agency agreement (the "**Agency Agreement**") to be entered into on the Closing Date (as hereinafter defined) between the Corporation and the Agents.

The Offering is being made by the Agents on a fully marketed private placement basis. Pursuant to the Agency Agreement, the Agents have agreed to use their commercially reasonable efforts to arrange for purchasers of up to $30,000,000 principal amount of Debentures. In addition, the Corporation has granted the Agents an option (the "**Agents' Option**") to use their commercially reasonable efforts to arrange for purchasers of up to an additional 4,500 Debentures having terms identical to the Initial Debentures (the "**Additional Debentures**") and, together with the Initial Debentures, the "**Offered Securities**"), exercisable at any time prior to the closing of the Offering. The Agents' Option is exercisable, in whole or in part, at any time prior to the closing of the Offering. For further clarity, all references to "Offered Securities" include any Additional Debentures, and all references to the "Offering" include any exercise of the Agents' Option.

The net proceeds of the Offering are expected to be used to expand the Company's footprint across California and other general corporate purposes.

2. **Terms of the Debentures**

Each Debenture shall bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing December 31, 2018. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The December 31, 2018 interest payment will represent accrued interest for the period from the Closing Date to December 31, 2018. The Debentures will be convertible into common shares of the Company ("**Common Share**") at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date (as defined herein), and (ii) the date fixed for redemption (as more particularly set out in the Term Sheet upon a "Change of Control"), at a conversion price of $6.25 per Common Share (the "**Conversion Price**"), subject to adjustment in certain customary events. At any time following the date that is four (4) months and one day following the Closing Date, the Company may force the conversion of the principal amount of the then outstanding Debentures at the Conversion Price on not less than thirty (30) days' notice should the daily volume weighted average trading price of the Common Shares be greater than $9.00 for any ten (10) consecutive trading days. Holders converting their Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, and including, the date of conversion.

A summary of the material terms of the Debentures is included in the Term Sheet attached as Schedule "A"; however, reference should be made to the Indenture (as hereinafter defined) for the definitive terms of the Debentures. In the event of a conflict or inconsistency between the provisions hereof, including the Term Sheet, and the Indenture the Indenture shall be paramount and govern.

3. **Definitions.** In addition to terms defined elsewhere in this Subscription Agreement, in this Subscription Agreement, unless the context otherwise requires:

(a) "**affiliate**", "**distribution**" and "**insider**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

(b) "**Business Day**" means any day other than a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario;

(c) "**CDS**" means CDS Clearing and Depository Services Inc.;

(d) "**Closing**" means the completion of the offer, issue and sale by the Corporation of the Debentures pursuant to the Agency Agreement and the Subscription Agreements with Purchasers of the Debentures;

(e) "**Closing Date**" means July 12, 2018, or such other date as the Corporation and the Lead Agent may agree pursuant to the provisions of the Agency Agreement;

(f) "**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or such other time as the Corporation and the Lead Agent may agree pursuant to the provisions of the Agency Agreement;

(g) "**CSE**" means the Canadian Securities Exchange;

(h) "**Designated Jurisdictions**" means the provinces and territories of Canada in which Purchasers are resident;

(i) "**Indenture**" means the debenture indenture dated the Closing Date as between a duly licensed trust company to be determined between the Corporation and the Lead Agent, and the Corporation, pursuant to which the Debentures will be issued and providing for the definitive terms of the Debentures;

(j) "**Information**" means all information regarding the Corporation which has been publicly filed by the Corporation, and includes, but is not limited to, all news releases, material change reports and financial statements of the Corporation;

(k) "**Maturity Date**" means the date that is three years following the Closing Date;

(l) "**NI 45-102**" means National Instrument 45-102 – *Resale Restrictions*;

(m) "**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions*;

(n) "**person**" means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

(o) "**Personal Information**" means any information about a person (whether an individual or otherwise) and, with respect to the Purchaser, includes information contained in this Subscription Agreement and the Schedules incorporated by reference herein;

(p) "**Purchasers**" means, collectively, all purchasers of the Debentures pursuant to the Offering, including the Purchaser and each beneficial purchaser for whom a Purchaser is acting pursuant to this Subscription Agreement;

(q) "**Securities Commissions**" means, collectively, the applicable securities commission or other securities regulatory authority in each of the Designated Jurisdictions;

(r) "**Securities Laws**" means, collectively, the applicable securities laws of each of the Designated Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the Securities Commissions;

(s) "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

(t) "**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and

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

4. **Delivery and Payment.** The Purchaser agrees that the following shall be delivered to the Lead Agent, at the address and by the date and time set out on the face page hereof, or such other place, date or time as the Agents may advise:

(a) a completed and duly signed copy of this Subscription Agreement;

(b) if the Purchaser or beneficial purchaser, if any, is purchasing the Purchased Debentures as an "**accredited investor**" as defined in NI 45-106, a duly completed and executed copy of the Accredited Investor Status Certificate in the form attached hereto as Schedule "B" (including Exhibit I – Risk Acknowledgement Form for Individual Accredited Investors if the Purchaser falls under paragraphs j, k or l of the definition of "accredited investor");

(c) if the Purchaser is resident in or otherwise subject to applicable securities laws of a jurisdiction other than Canada or the United States, a duly completed and executed Foreign Purchaser's Certificate in the form attached hereto as Schedule "C";

(d) the Purchaser shall deliver the Total Purchase Price payable in respect of the Purchased Debentures subscribed for hereby to the Lead Agent not later than 8:00 a.m. (Toronto time) one Business Day before the Closing Date, by wire transfer, certified cheque or bank draft drawn on a Canadian chartered bank or trust company in Canadian dollars and payable to "Canaccord Genuity Corp." or in such other manner as may be specified by the Agents; and

(e) any other documents required by Securities Laws which the Corporation or the Agents may request.

The Purchaser, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, acknowledges and agrees that such documents, when executed and delivered by the Purchaser, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Purchaser hereunder in favour of the Corporation and the Agents. The Purchaser and each such beneficial purchaser consents to the filing of such documents as may be required to be filed with the Securities Commissions in connection with the transactions contemplated hereby. The Purchaser and each such beneficial purchaser acknowledges and agrees that this offer, the Total Purchase Price and any other documents delivered in connection herewith will be held by the Agents until such time as the conditions set out in the Agency Agreement are satisfied by the Corporation or waived by the Agent.

The Corporation and the Agents shall be entitled to rely on the delivery of a PDF copy or on execution by other electronic means of this Subscription Agreement, and acceptance by the Corporation of such PDF or execution by other electronic means of this Subscription Agreement shall be legally effective to create a valid and binding agreement between the Purchaser and the Corporation in accordance with the terms and conditions hereof. If less than a complete copy of this Subscription Agreement is delivered to the Corporation on Closing, the Corporation and the Agents shall be entitled to assume that the Purchaser accepts and agrees with all terms and conditions of this Subscription Agreement on pages not delivered at Closing unaltered. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

5. **Closing.** The closing of the Offering will take place at 8:00 a.m. (Toronto time) (the "**Closing Time**") at the offices of counsel to the Company on July 12, 2018, or such other date that is mutually agreed upon in writing by the Corporation and the Agents, at which time delivery of the Offered Securities will be made, and the disbursements, expenses and commissions of the Agents will be paid, to the Lead Agent, against delivery to the Company of the gross proceeds of the Offering.

If, immediately prior to the Closing Time, the terms and conditions contained in this Subscription Agreement or the Agency Agreement have not been complied with to the satisfaction of the Agents or the Corporation, as applicable, or duly waived, the Agents or the Corporation, as applicable will promptly provide notice in writing of such breach or non-compliance to the Agents, the Corporation and the Purchaser, as applicable and each of the Agents, the Corporation and the Purchaser will have no further obligations under this Subscription Agreement.

The Lead Agent is hereby appointed as the Purchaser's agent and attorney to represent the Purchaser, and any beneficial purchaser for whom the Purchaser is acting, at the Closing for the purpose of all closing matters, deliveries of documents (including, without limitation, the delivery of certificate(s) representing the Debentures, if any, or the deposit thereof with CDS), and is hereby irrevocably authorized by the Purchaser for and on behalf of the Purchaser, and any beneficial purchaser for whom the Purchaser is acting as agent or trustee, to extend such time periods and modify or waive such conditions as may be contemplated herein or in the Agency Agreement or, in its absolute discretion, as it deems appropriate. Without limiting the generality of the foregoing, the Lead Agent is specifically and exclusively authorized to: (a) waive representations and warranties, covenants or conditions in favour of the Purchaser or the Agents contained in this Subscription Agreement and the Agency Agreement; (b) correct minor errors or omissions in the information provided by the Purchaser in this Subscription Agreement (including, for greater certainty, the Schedules attached hereto) and any other documents or forms delivered by the Purchaser in connection with the transactions contemplated hereby, if any; and (c) provide the Corporation alternative registration instructions with respect to the Debentures subscribed for pursuant to this Subscription Agreement, and any such instructions provided by the Lead Agent to the Corporation will supersede any registration instructions provided by the Purchaser in this Subscription Agreement. In addition, the Purchaser and each beneficial purchaser, if any, acknowledges and agrees that the Agents are entitled to exercise or not to exercise, in their absolute discretion, the rights of termination under the Agency Agreement.

The Purchaser will take up, purchase and pay for the Purchased Debentures at the Closing upon acceptance of this offer by the Corporation and the satisfaction by the Corporation, or waiver by the Agents, of the conditions set out in the Agency Agreement.

It is anticipated that except in certain limited instances in which certain Purchasers may settle subscriptions directly with the Corporation in certified form, the Debentures to be issued pursuant to the Offering will be deposited with CDS via global certificate or electronically, in each case, through the book-entry only system administered by CDS on the Closing Date in accordance with the Debenture Indenture, as applicable. Unless otherwise agreed by the Corporation, the Purchaser will not be entitled to receive definitive certificates or other instruments from the Corporation or CDS representing their interest in the securities purchased hereunder. Except in certain limited instances, it is anticipated that the Purchaser will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Debentures are purchased against payment of the Total Purchase Price. The ability of the Purchaser to pledge such securities or otherwise take action with respect to the Purchaser's interest in the Debentures, if applicable, may be limited due to the lack of a physical certificate.

The Purchaser agrees to do, execute, acknowledge and deliver all such further documents, assignments, transfers, agreements and other assurances as may be reasonably necessary or desirable to give full effect to this Subscription Agreement. Without limiting the foregoing, the Lead Agent is hereby irrevocably appointed as the true and lawful attorney of the Purchaser with full power of substitution with authority to do all things and execute and deliver, on behalf of and in the name of the Purchaser, such deeds, transfers, share certificates or other documents as may be necessary or desirable to give effect to the foregoing, and the Purchaser shall have no claim or cause of action against the Corporation, the Agents or any third party, as a result of the Lead Agent so acting as its attorney. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the insolvency or bankruptcy of the Purchaser, and the Purchaser hereby ratifies and confirms and agrees to ratify and confirm all that such attorney may lawfully do or cause to be done by virtue of such appointment and power.

6. **Representations, Warranties and Covenants of the Corporation. By accepting this offer, the** Corporation agrees that the Purchaser will have the benefit of all the representations, warranties and covenants given by the Corporation in the Agency Agreement as if the Purchaser was a party to such Agency Agreement and a direct beneficiary of such provisions and further agrees that all such representations, warranties and covenants will be deemed to be incorporated herein as if they were reproduced in their entirety, with such changes as are necessary in order to reflect that such representations, warranties and covenants are being made by the Corporation to the Purchaser, to the extent that such representations, warranties and covenants are not amended or waived by the Agents. The Purchaser agrees that the amount of any claim based on the Corporation's breach of a representation, warranty or covenant contained in the Agency Agreement shall be limited to the amount of the Total Purchase Price of the Purchased Debentures.

7. **Conditions of Closing.** The Purchaser acknowledges that the Corporation's obligation to sell the Debentures to the Purchaser is subject to, among other things, the following conditions being satisfied at or prior to the Closing Time:

(a) delivery of all documents referred to in Section 4 in the manner contemplated therein;

(b) the fulfilment at or before the Closing Time of each of the conditions of the Closing set out in the Agency Agreement, except those conditions that are waived by the Agents or the Corporation, as applicable;

(c) the Corporation having obtained all required regulatory approvals (including those that may be required under Securities Laws and the CSE) to permit the sale of the Purchased Debentures;

(d) the offer, issue and sale and delivery of the Purchased Debentures being exempt from the requirements to file a prospectus pursuant to NI 45-106 or any similar document under applicable Securities Laws and other applicable securities laws relating to the sale of the Purchased Debentures, or the Corporation having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or delivering an offering memorandum or any similar document; and

(e) the representations and warranties of the Purchaser and each beneficial purchaser, if any, made in this Subscription Agreement being true and correct as at the Closing Time.

The Purchaser and each beneficial purchaser, if any, acknowledges and agrees that as the sale of the Debentures will not be qualified by a prospectus, and that such sale is subject to the condition that the Purchaser (or, if applicable, any beneficial purchasers for whom the Purchaser is contracting hereunder) sign and return to the Corporation or the Agents all relevant documentation required by the Securities Laws.

The Purchaser and each beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent acknowledges and agrees that the Corporation will be required to provide to certain Securities Commissions and the CSE a list setting out the identities of the beneficial purchasers of the Debentures. Notwithstanding that the Purchaser may be purchasing Debentures as an agent on behalf of an undisclosed principal (if permissible under the relevant Securities Laws or other applicable securities laws), the Purchaser agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Agents or the Corporation in order to comply with the foregoing.

8. **Acceptance or Rejection.** The Corporation will have the right to accept or reject this Subscription Agreement in whole or in part at any time at or prior to the Closing Time and the right to reduce the number of Debentures that the Purchaser is subscribing for hereunder. The Corporation will be deemed to have accepted this offer upon the Corporation's execution of the acceptance form at page 3 of this Subscription Agreement and the delivery (or deposit) of the Debentures or according to the direction of the Agents in accordance with the provisions of this Subscription Agreement and the Agency Agreement.

If this offer is rejected in whole, the Purchaser and each beneficial purchaser, if any, for whom the Purchaser is acting as agent or trustee, understands that any funds, certified cheques, or bank drafts delivered by the Purchaser representing the Total Purchase Price for the Purchased Debentures will be promptly returned to the Purchaser without interest or deduction. If this Subscription Agreement is accepted only in part, the Purchaser understands that a cheque representing the portion of the Total Purchase Price for that portion of its subscription for Purchased Debentures that is not accepted will be promptly delivered to the Purchaser without interest or deduction.

9. **Purchaser's Representations and Warranties.** The Purchaser represents and warrants (on its own behalf and on behalf of any beneficial purchaser for whom it is acting) to the Corporation and the Agents as follows and acknowledges that the Corporation and the Agents are relying on such representations and warranties in connection with the transactions contemplated in this Subscription Agreement:

(a) <u>Investment Suitability</u>. **THE PURCHASER, OR BENEFICIAL PURCHASER, IF ANY, FOR WHOM THE PURCHASER IS ACTING AS TRUSTEE OR AGENT, HAS SUCH**

KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS AFFAIRS AS TO BE CAPABLE OF EVALUATING THE MERITS AND RISKS OF THE INVESTMENT HEREUNDER IN THE PURCHASED DEBENTURES AND IS ABLE TO BEAR THE ECONOMIC RISK OF TOTAL LOSS OF SUCH INVESTMENT.

(b) **Authorization and Effectiveness**. If the Purchaser (or the beneficial purchaser) is an individual, he or she is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Purchaser (or the beneficial purchaser) is a corporation, the Purchaser (or the beneficial purchaser) is duly incorporated and is a valid and existing corporation under the laws of its governing jurisdiction, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Debentures and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Purchaser (or the beneficial purchaser) is a partnership, syndicate or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Debentures and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Corporation, this Subscription Agreement will constitute a legal, valid and binding agreement of the Purchaser and the beneficial purchaser enforceable against the Purchaser and the beneficial purchaser in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Purchaser's and beneficial purchaser's constating documents, by-laws or authorizing resolutions (if applicable), or any indenture, contract, agreement (whether written or oral), instrument or other document to which the Purchaser or the beneficial purchaser is a party or by which the Purchaser or the beneficial purchaser is bound or any law applicable to the Purchaser or the beneficial purchaser or any judgement, law applicable to the Purchaser or the beneficial purchaser, decree, order, statute, rule or regulation applicable to the Purchaser or the beneficial purchaser.

(c) **Residence**. The Purchaser, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, was offered the Purchased Debentures in, and is a resident of, the jurisdiction referred to under "Name and Address of Purchaser" and "Details of Beneficial Purchaser", respectively, set out on the face page and page 2 of this Subscription Agreement and intends that the Securities Laws of that jurisdiction govern any transaction involving the Debentures subscribed for by the Purchaser or any beneficial purchaser for whom it is contracting hereunder and that such addresses were not created and are not used solely for the purpose of acquiring the Purchased Debentures. The purchase and sale to the Purchaser of the Debentures, and any act, solicitation, conduct or negotiation, directly or indirectly, in furtherance of such purchase or sale has occurred only in such jurisdiction.

(d) **Private Placement Exemptions**. The Purchaser is eligible to purchase the Debentures pursuant to an exemption from the prospectus and registration requirements of the Securities Laws, and, if applicable, the Purchaser has properly completed, executed and delivered to the Corporation the applicable certificate (dated as of the date hereof) set forth in Schedule "B" indicating that the Purchaser fits within one of the exemption categories under applicable Securities Laws, and the information contained therein is true and correct and the representations, warranties and covenants contained in the applicable Schedules attached hereto will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time.

(e) **Purchasing as Principal**. Unless subsection 9(g) below applies, the Purchaser is purchasing the Purchased Debentures as principal (as defined under applicable Securities Laws) for its own account, and not for the benefit of any other person.

(f) **Purchasing for Investment Only**. Unless subsection 9(g) below applies, the Purchaser is purchasing the Purchased Debentures for investment only and not with a view to resale or distribution. The Purchaser (or beneficial purchaser) was not created or used solely to purchase or hold securities as described in the Accredited Investor Certificate provided in Schedule "B".

(g) **Purchasing as Agent or Trustee**.

(i) In the case of the purchase by the Purchaser of the Purchased Debentures as agent or trustee for any principal, the Purchaser is the duly authorized trustee or agent of such beneficial purchaser with due and proper power and authority to execute and deliver, on behalf of each such beneficial purchaser, this Subscription Agreement and all other documentation in connection with the purchase of the Purchased Debentures hereunder, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such beneficial purchaser were the Purchaser and the Purchaser's actions as trustee or agent are in compliance with applicable law and the Purchaser and each beneficial purchaser acknowledges that the Corporation is required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser of Purchased Debentures for whom it may be acting;

(ii) in the case of the purchase by the Purchaser of the Purchased Debentures as agent or trustee for any principal whose identity is disclosed or identified, each beneficial purchaser of the Purchased Debentures for whom the Purchaser is acting, is purchasing the Purchased Debentures: (1) as principal for its own account and not for the benefit of any other person; (2) for investment only and not with a view to resale or distribution and was not created or used solely to purchase or hold securities in reliance and it pre-existed the Offering and has a *bona fide* purpose other than investment in the Debentures; and (3) the beneficial purchaser is an "accredited investor" (as defined in NI 45-106 or the *Securities Act* (Ontario)); or

(iii) in the case of the purchase by the Purchaser of the Purchased Debentures on behalf of an undisclosed beneficial purchaser, the Purchaser is deemed under applicable Securities Laws to be purchasing as principal and is purchasing the Purchased Debentures as an accredited investor.

(h) **Broker**. Other than the Agents, there is no person acting or purporting to act on behalf of the Purchaser in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee.

(i) **Illegal Use of Funds**. None of the funds being used to purchase the Purchased Debentures are to the knowledge of the Purchaser and the beneficial purchaser, if any, proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Purchased Debentures which will be advanced by the Purchaser to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended (the "**PCMLTFA**") and the Purchaser and the beneficial purchaser, if any, acknowledge that the Corporation may in the future be required by law to disclose the Purchaser's name and the name of any beneficial purchaser and other information relating to this Subscription Agreement and the Purchaser's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge, none of the funds to be provided by the Purchaser or the beneficial purchaser are being tendered on behalf of a person or entity that has not been identified to the Purchaser. The Purchaser covenants to promptly notify the Corporation if the Purchaser discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.

(j) **Financial Assistance**. The Purchaser (and any beneficial purchaser) has not received, nor does it expect to receive any financial assistance from the Corporation, directly or indirectly, in respect of the purchase of the Purchased Debentures.

(k) **Resale Restrictions**. The Purchaser, and each beneficial purchaser for whom it is contracting hereunder, acknowledges that (i) it has been provided with the opportunity to consult its own legal advisors with respect to trading in the Debentures and the Common Shares issuable upon conversion thereof (the "**Underlying Securities**"), as applicable, and with respect to the resale restrictions, as applicable, imposed by the securities laws of the jurisdiction in which the Purchaser or any beneficial purchaser for whom it is contracting hereunder resides and other applicable securities laws; (ii) no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to the Debentures and the Underlying Securities which restrict the

ability of the Purchaser (or any beneficial purchaser for whom it is contracting hereunder) to resell such securities; (iii) it is solely responsible to find out what these restrictions are; (iv) it is solely responsible (and neither the Corporation nor the Agents are in any way responsible) for compliance with applicable resale restrictions; and (v) it is aware that it may not be able to resell the Debentures except in accordance with limited exemptions under the Securities Laws and other applicable securities laws.

(l) **No Purchase or Offer in United States**. The Purchaser, or beneficial purchaser, if any, for whom it is acting as trustee or agent:

(i) is a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a professional fiduciary organized, incorporated, or (if an individual) resident in the United States; or

(ii) is not, and is not purchasing the Purchased Debentures for the account or benefit of, a U.S. Person under the U.S. Securities Act or for resale in the United States or to a U.S. Person in violation of United States federal or state securities laws, was not offered the Purchased Debentures in the United States, at the time the purchase order originated was outside the United States, and did not execute or deliver this Subscription Agreement or related documents in the United States; and

(iii) acknowledges that neither the Debentures nor the Underlying Securities have been registered under the U.S. Securities Act or the securities laws of any state, and such securities may not be offered or sold in the United States or to a U.S. Person, unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available, and agrees not to offer or sell the Debentures or Underlying Securities in the United States or to a U.S. Person, unless registered under the U.S. Securities Act or an exemption from registration under the U.S. Securities Act and applicable state securities laws is available.

(m) **Corporation or Unincorporated Organization**. If the Purchaser, or any beneficial purchaser for whom it is acting as trustee or agent, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Purchaser or such beneficial purchaser was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption.

(n) **Absence of Offering Memorandum or Similar Document**. The Purchaser, or beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, has not received, has not requested and does not have any need to receive, any offering memorandum or any other document describing the business and affairs of the Corporation, and no document has been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Purchased Debentures.

(o) **Absence of Advertising**. The offering and sale of the Purchased Debentures to the Purchaser and beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, was not made or solicited through, and the Purchaser and each such beneficial purchaser is not aware of, any general solicitation or general advertising with respect to the offering of the Debentures, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the Internet, including but not limited to the Corporation's website), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(p) **International Purchasers**. If the Purchaser is a resident of a country other than Canada or the United States (an "**International Jurisdiction**"), then in addition to the other representations and warranties contained herein, the Purchaser represents and warrants that:

(i) the Purchaser is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction which would apply to this Subscription Agreement, if any;

(ii) the Purchaser is purchasing the Purchased Debentures, and will receive the Underlying Securities, pursuant to exemptions from any prospectus, registration or similar requirements under the applicable securities laws of that International Jurisdiction or, if such is not applicable, the Purchaser is permitted to purchase the Purchased Debentures, and will receive the Underlying Securities, under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption;

(iii) the applicable securities laws do not require the Corporation to file a prospectus, registration statement or similar document or to register the Debentures or the Underlying Securities, or to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction;

(iv) the delivery of this Subscription Agreement, the acceptance of it by the Corporation and the issuance of the Debentures and the Underlying Securities to the Purchaser complies with or will comply with, as applicable, all applicable laws of the Purchaser's jurisdiction of residence or domicile and all other applicable laws and will not cause the Corporation to become subject to or comply with any disclosure, prospectus or reporting requirements under any such applicable laws; and

(v) the Purchaser has properly completed, executed and delivered to the Corporation (dated as of the date hereof) the Foreign Purchaser's Certificate set forth in Schedule "C", and the information contained therein is true and correct and the representations and warranties and covenants contained therein will be true and correct both as of the date of execution of this Subscription Agreement and as of the Closing Time.

(q) **No Undisclosed Information**. The decision of the Purchaser or beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, to tender this Subscription Agreement and acquire the Purchased Debentures has not been made as a result of any oral or written representation as to fact or otherwise made by or on behalf of the Corporation, the Agents or any other person and is based entirely upon this Subscription Agreement. The Purchaser, or beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, has relied only on the information contained in this Subscription Agreement in making the decision to subscribe for the Purchased Debentures hereunder. Except for the Purchaser's knowledge regarding its subscription for Debentures hereunder, the Purchaser has no knowledge of a "material fact" or a "material change" (as those terms are defined in the applicable Securities Laws) in the affairs of the Corporation that has not been generally disclosed.

The Purchaser and each beneficial purchaser, if any, acknowledges and agrees that the foregoing representations and warranties are made by it with the intention that they may be relied upon by the Corporation and the Agents, and their respective counsel, for, among other things, determining the Purchaser's eligibility or, if applicable, the eligibility of the beneficial purchaser on whose behalf it is contracting hereunder to purchase the Purchased Debentures under applicable securities laws (including the Securities Laws). The Purchaser and each beneficial purchaser further agrees that by accepting delivery of the Purchased Debentures on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Date with the same force and effect as if they had been made by the Purchaser and each beneficial purchaser at the Closing Time and that they shall survive the purchase by the Purchaser of the Purchased Debentures and shall continue in full force and effect. The Purchaser and each beneficial purchaser undertakes to notify the Corporation immediately of any change in any representation, warranty or other information relating to the Purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

10. **Purchaser's Acknowledgements.** The Purchaser (on its own behalf and on behalf of any beneficial purchaser for whom it is acting) acknowledges and agrees that:

(a) The securities of the Corporation are not listed or quoted on any exchange or market other than the listing of the Corporation's Common Shares on the CSE, and the Corporation has no obligation to list its securities on any other exchange or market other than as set out herein.

(b) **THERE ARE RISKS ASSOCIATED WITH THE PURCHASE OF THE PURCHASED DEBENTURES AND THE PURCHASER IS CAPABLE OF BEARING THE ECONOMIC RISK OF THE INVESTMENT.**

(c) No agency, securities commission, governmental authority, regulatory body, stock exchange or other entity has reviewed, passed on, made any finding or determination as to the merit for investment of, and no such agencies, securities commissions, or governmental authorities have made any recommendation or endorsement with respect to the Debentures or the offering thereof and there is no government or other insurance covering the Debentures.

(d) The purchase of the Purchased Debentures has not been nor will be (as applicable) made through, or as a result of, and the distribution of the Purchased Debentures is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(e) The Purchased Debentures are being offered for sale only on a "private placement" basis. No prospectus or other offering document has been or will be filed by the Corporation with a Securities Commission or other securities regulatory authority in any province of Canada, or any other jurisdiction in or outside of Canada in connection with the issuance of the Debentures (or the Underlying Securities), and such issuances are exempt from the prospectus requirements otherwise applicable under the provisions of Securities Laws and, as a result, in connection with its purchase of the Purchased Debentures hereunder, as applicable:

(i) the Purchaser and each beneficial purchaser, if any, is not entitled to most of the protections, rights and remedies otherwise available under applicable Securities Laws including, without limitation, statutory rights of rescission or damages;

(ii) the Purchaser and each beneficial purchaser, if any, will not receive information that may otherwise be required to be provided to the Purchaser and each beneficial purchaser, if any, under applicable Securities Laws or contained in a prospectus prepared in accordance with applicable Securities Laws;

(iii) the Corporation is relieved from certain obligations that would otherwise apply under applicable Securities Laws; and

(iv) there are restrictions on the Purchaser's ability to resell the Debentures and the Underlying Securities and it is the responsibility of the Purchaser and each beneficial purchaser to find out what these restrictions are and to comply with them before selling such securities and neither the Corporation nor any of the Agents is in any manner responsible for complying with such restrictions.

(f) In consideration of the services to be provided by the Agents to the Company, the Agents shall receive, at the closing of the Offering, a cash commission equal to 4.50% of the gross proceeds raised in the Offering (the "**Cash Commission**").

(g) All costs and expenses incurred by the Purchaser and each beneficial purchaser, if any, relating to the purchase of the Purchased Debentures (including any fees and disbursements of legal counsel retained by the Purchaser or beneficial purchaser) shall be borne by the Purchaser and each beneficial purchaser, if any.

(h) The certificates representing the Debentures and the Underlying Securities, if issued prior to the expiration of applicable hold periods (and any replacement certificate issued prior to the expiration of the applicable hold periods), or ownership statements issued under a direct registration system or other electronic book-based or book-entry system, will bear a legend in accordance with the Securities Laws. For the Debentures and the Underlying Securities issued pursuant to the Offering, the following legend is required by section 2.5 of NI 45-102:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE]**

(i) In the event that the Corporation is required by applicable Securities Laws to provide written notice containing the foregoing legend to the beneficial purchaser of the Purchased Debentures, the Purchaser and such beneficial purchaser acknowledge that notice shall be deemed to have been given and received on the date on which such notice was delivered to the address of such beneficial purchaser provided on the face page hereof.

(j) No person has made any written or oral representations: (i) that any person will resell or repurchase the Purchased Debentures; (ii) that any person will refund any portion of the Total Purchase Price (except in accordance with the Indenture); or (iii) as to the future price or value of the Debentures or the Underlying Securities.

(k) The Corporation may complete additional financings in the future to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such financing may have a dilutive effect on the Purchaser.

(l) In purchasing the Purchased Debentures, the Purchaser (and, if applicable, the beneficial purchaser, if any), has relied solely upon this Subscription Agreement (including, for greater certainty, the term sheet attached as Schedule "A" hereto) and publicly available Information relating to the Corporation, not upon any verbal or written representation as to any fact or otherwise made by or on behalf of the Corporation or the Agents or any employee, agent or affiliate thereof or any other person associated therewith. The Agents assume no responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information upon which the Purchaser's or the beneficial purchaser's, if any, investment decision has been made or as to whether all information concerning the Corporation required to be disclosed by the Corporation has been disclosed. The Agents' counsel, DLA Piper (Canada) LLP, and the Corporation's counsel, Cassels Brock & Blackwell LLP, are entitled to the benefit of this subsection.

(m) The Purchaser and each beneficial purchaser is solely responsible for obtaining such legal advice and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement and the completion of the transactions contemplated hereby.

(n) The Purchaser and each beneficial purchaser acknowledge that this Subscription Agreement requires the Purchaser and each beneficial purchaser to provide certain Personal Information to the Corporation. Such information is being collected by the Corporation for the purposes of completing the Offering, which includes, without limitation, determining the eligibility of the Purchaser and each beneficial purchaser to purchase the Debentures under applicable Securities Laws, preparing and registering certificates representing the Debentures and completing filings required by the Securities Commissions. Personal Information of the Purchaser and each beneficial purchaser may be disclosed by the Corporation or the Agents to: (i) stock exchanges, the Securities Commissions or to other securities regulatory authorities, (ii) the registrar and transfer agent of the Corporation, and (iii) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Purchaser and each beneficial purchaser is deemed to be consenting to the foregoing collection, use and disclosure of their respective Personal Information. The Purchaser and each beneficial purchaser also consent to the filing of copies or originals of any of the Purchaser's documents described in section 4 hereof as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby.

(o) The Purchaser agrees that if the Purchaser transfers any of the Debentures or the Underlying Securities issuable upon conversion thereof, as applicable, during the period commencing on the Closing Date until the expiry of any restricted period prescribed by NI 45-102, the Purchaser will deliver to such subsequent transferee a written ownership statement that sets out the details of the applicable restricted period in respect of the Debentures or the Underlying Securities and the legend endorsed on such

Debentures or the Underlying Securities, as applicable, as set forth in section 10(h) of this Subscription Agreement.

11. **Further Acknowledgements of the Purchaser.** The Purchaser hereby acknowledges, agrees and consents to: (a) the disclosure of Personal Information to each of the Corporation, a stock exchange or the Securities Commissions; and (b) the collection, use and disclosure of Personal Information by the Corporation for corporate finance and shareholder communication purposes or such other purposes as are necessary to the Corporation's business. The Purchaser hereby acknowledges and consents to the collection, use, and disclosure of Personal Information by the Ontario Securities Commission, including the publishing or otherwise making available to the public Personal Information including, for individuals, their name, number and type of securities purchased, the purchase price therefor, and their insider or registrant status, if applicable, and for non-individual Purchasers, the above information and their address, contact person name and telephone number and the exemption relied upon. The Purchaser acknowledges and agrees that the Purchaser has been notified by the Corporation: (i) of the delivery to the Securities Commissions of Personal Information pertaining to the Purchaser included in Schedule 1 and 2 (if any) of Form 45-106F1, including, without limitation, the full name, residential address and telephone number of the Purchaser, the number and type of securities purchased and the Total Purchase Price paid in respect of the Purchased Debentures; (ii) that this information is being collected indirectly by the Securities Commissions under the authority granted to it in securities legislation; (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the Designated Jurisdictions; and (iv) that the title, business address and business telephone number of the public official in each of the provinces of Canada who can answer questions about the applicable Securities Commissions' indirect collection of the information is as listed below. The Purchaser and any beneficial subscriber consent to such disclosure of its Personal Information.

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403 297-6454
Toll free in Canada: 1 877 355-0585
Facsimile: 403 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604 899-6854
Toll free in Canada: 1 800 373-6393
Facsimile: 604 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204 945-2561
Toll free in Manitoba 1 800 655-5244
Facsimile: 204 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506 658-3060
Toll free in Canada: 1 866 933-2222
Facsimile: 506 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: 709 729-4189
Facsimile: 709 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: 902 424-7768
Facsimile: 902 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416 593- 8314
Toll free in Canada: 1 877 785-1555
Facsimile: 416 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902 368-4569
Facsimile: 902 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: 514 395-0337 or 1 877 525-0337
Facsimile: 514 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Secrétaire générale

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306 787-5842
Facsimile: 306 787-5899
Public official contact regarding indirect collection of information: Director

12. **Beneficial Purchasers.** Whether or not explicitly stated in this Subscription Agreement, any acknowledgement, representation, warranty, covenant or agreement made by the Purchaser in this Subscription Agreement, including the Schedules will be treated as if made by the beneficial purchaser for whom the Purchaser is acting as trustee or agent, if any.

13. **No Revocation.** The Purchaser and each beneficial purchaser, if any, agree that this offer is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Purchaser without the consent of the Corporation. Further, the Purchaser expressly waives and releases the Corporation and the Agent from all rights of withdrawal or rescission to which the Purchaser might otherwise be entitled pursuant to Securities Laws or otherwise at law.

14. **Assignment.** The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Purchaser and each beneficial purchaser, if any, the Corporation and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other parties. For greater certainty, this Subscription Agreement may only be transferred or assigned by the Purchaser subject to compliance with applicable laws (including, without limitation, applicable Securities Laws) and with the express prior written consent of the Corporation.

15. **Indemnity**. The Purchaser and each beneficial purchaser, if any, agrees to indemnify and hold harmless the Corporation and the Agents and their respective directors, officers, employees, agents, advisers, shareholders and affiliates from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in

investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Purchaser or beneficial purchaser contained herein or in any document furnished by the Purchaser to the Corporation or the Agents in connection herewith being untrue in any material respect or any breach or failure by the Purchaser to comply with any covenant or agreement made by the Purchaser herein or in any document furnished by the Purchaser to the Corporation or the Agents in connection herewith.

16. **Miscellaneous and Counterparts**. All representations, warranties, agreements and covenants made or deemed to be made by the Purchaser and each beneficial purchaser, if any, herein will survive the execution and delivery, and acceptance, of this offer and the Closing and shall continue in full force and effect. All representations and warranties, agreements and covenants made or deemed to be made by the Corporation herein will survive the closing and shall continue in full force and effect in accordance with the Agency Agreement. This Subscription Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same document.

17. **Governing Law**. This Subscription 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 Purchaser, each beneficial purchaser, if any, and the Corporation hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

18. **Facsimile and E-Mail Subscriptions.** The Corporation shall be entitled to rely on the delivery of a PDF copy or on execution by other electronic means of this Subscription Agreement, and acceptance by the Corporation of such PDF or execution by other electronic means of this Subscription Agreement shall be legally effective to create a valid and binding agreement between the Purchaser and the Corporation in accordance with the terms and conditions hereof.

19. **Entire Agreement**. This Subscription Agreement (including the Schedules hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only. In the event of any inconsistency between the provisions of this Subscription Agreement and the Agency Agreement, the provisions of the Agency Agreement shall prevail.

20. **Language**. The Purchaser and each beneficial purchaser, if any, acknowledges its consent and requests that all documents evidencing or relating in any way to its purchase of Debentures be drawn up in the English language only. *Nous reconnaissons par les présentes avoir consenti et demandé que tous les documents faisant foi ou se rapportant de quelque manière à l'achat des titres soient rédigés en anglais seulement.*

21. **Time of Essence.** Time shall be of the essence of this Subscription Agreement.

22. **Currency**. Unless otherwise stated, all dollar amounts referred to in this Subscription Agreement are in Canadian Dollars.

SCHEDULE "A"

Indicative Term Sheet

CannaRoyalty Corp.

Private Placement of 8.0% Convertible Debentures

Up to $30,000,000

June 19, 2018

Not for General Solicitation into the U.S. *- The securities will not be and have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States, and if sold in the United States will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act. The securities may be resold, pledged or otherwise transferred only pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act.*

Issuer:	CannaRoyalty Corp. ("**Company**").
Offered Securities:	8.0% unsecured convertible debentures (the "**Convertible Debentures**").
Size of Offering:	Up to $30,000,000 (the "**Offering**").
Offering Price:	$1,000 per Convertible Debenture.
Terms:	Fully marketed private placement.
Maturity:	Three years from the date the Convertible Debentures are issued.
Interest:	The Convertible Debentures shall bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing December 31, 2018. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The December 31, 2018 interest payment will represent accrued interest for the period from the Closing Date (as hereinafter defined) to December 31, 2018.
Conversion Privilege:	The Convertible Debentures will be convertible into common shares of the Company ("**Common Share**") at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date, and (ii) the date fixed for redemption (as set out in section entitled "**Change of Control**" below), at a conversion price of $6.25 per Common Share (the "**Conversion Price**"), subject to adjustment in certain customary events. Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, and including, the date of conversion.
Mandatory Conversion:	At any time following the date that is 4 months and one day following the Closing Date, the Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than $9.00 for any 10 consecutive trading days.

Change of Control:	Upon a Change of Control (as hereinafter defined) of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the Change of Control, at a price equal to 104% of the principal amount of the Convertible Debentures then outstanding plus accrued and unpaid interest thereon (the "**Offer Price**"). If 90% or more of the principal amount of the Convertible Debentures outstanding on the date of the notice of the Change of Control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price. For the purposes hereof, a "**Change of Control**" means (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A Change of Control will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity.
Over-Allotment Option:	Up to 15% of the number of Convertible Debentures issued pursuant to the Offering to cover any over-allotments and for market stabilization purposes, exercisable prior to the closing of the Offering.
Offering Jurisdictions:	All provinces of Canada, and in the United States by way of private placement to institutional accredited investors and outside of Canada and the United States on a private placement or equivalent basis.
Exchange:	Canadian Securities Exchange.
Eligibility:	The Convertible Debentures shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSAs and DPSPs.
Use of Proceeds:	To expand the Company's footprint across California and for working capital requirements and other general corporate purposes.
Commission:	4.50% of the gross proceeds raised in respect of the Offering (including the Over-Allotment Option).
Closing Date:	On or about July 12, 2018.
Lead Agent:	Canaccord Genuity Corp.

SCHEDULE "B"

FORM OF CANADIAN ACCREDITED INVESTOR STATUS CERTIFICATE

The Purchaser (or, as the case may be, the disclosed principal on behalf of whom the Purchaser is contracting for) is an "accredited investor", as such term is defined in National Instrument 45-106 or subsection 73.3 of the *Securities Act* (Ontario), because, at the applicable Closing, the Purchaser falls within one or more of the following categories (Please check one or more, as applicable).

A Purchaser checking boxes (j), (k) or (l) must also complete and sign Appendix "I" to this Schedule "B" (Form 49-106 – Form for Individual Accredited Investors).

Please check the appropriate box(es)

☐ **(a)** a Canadian financial institution, or a Schedule III bank (or in Ontario, a bank listed in Schedule I, II or III to the *Bank Act* (Canada)),

☐ **(b)** the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),

☐ **(c)** a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,

☐ **(d)** a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,

☐ **(e)** an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d) or in Ontario, except as otherwise prescribed by the regulations under the Securities Act (Ontario);

☐ **(e.1)** an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),

☐ **(f)** the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,

☐ **(g)** a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,

☐ **(h)** any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,

☐ **(i)** a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,

☐ **(j)** an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000,

"**financial assets**" means (a) cash, (b) securities, or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation,

"**related liabilities**" means (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (b) liabilities that are secured by financial assets,

"**spouse**" means, an individual who, (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta),

if (j) is selected, please check the range of net financial assets which you beneficially own, either alone or combined with your spouse:

You alone:	*You combined with a spouse:*
☐ $0 to $2,000,000	☐ $0 to $3,000,000
☐ $2,000,001 to $3,000,000	☐ $3,000,001 to $4,000,000
☐ 3,000,001 to $4,000,000	☐ $4,000,001 to $5,000,000
☐ > $4,000,001	☐ > $5,000,001

☐ **(j.1)** an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $5 000 000,

"**financial assets**" means (a) cash, (b) securities, or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation,

"**related liabilities**" means (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (b) liabilities that are secured by financial assets,

if (j.1) is selected, please check the *range of net financial assets which you beneficially own, alone:*

☐ $0 to $5,000,000

☐ $5,000,001 to $7,000,000

☐ $7,000,001 to $10,000,000

☐ > $10,000,000

☐ **(k)** an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,

"**spouse**" means, an individual who, (a) is married to another individual and is not living separate and apart *within* the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph

(a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta),

if (k) is selected, please check the range of net income before taxes which <u>you</u> alone or in combination with your spouse have earned in each of the two most recent calendar years, alone:

☐ $0 to $100,000

☐ $100,001 to 200,000

☐ $200,001 to 300,000

☐ > $300,000

Please check the range of net income which <u>your</u> spouse has earned in each of the two most recent calendar years (only if applicable):

☐ $0 to $100,000

☐ $100,001 to 200,000

☐ $200,001 to 300,000

☐ > $300,000

☐ **(l)** an individual who, either alone or with a spouse, has net assets of at least $5,000,000,

"**spouse**" means, an individual who, (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta),

if (l) is selected, please check the range of net assets you **have***, either alone or combined with your spouse:*

☐ $0 to $5,000,000

☐ $5,000,001 to $10,000,000

☐ > $10,000,001

☐ **(m)** a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements,

☐ **(n)** an investment fund that distributes or has distributed its securities only to

(i) a person that is or was an accredited investor at the time of the distribution,

a person that acquires or acquired securities in the circumstances referred to in sections 2.10 *[Minimum amount investment]* or 2.19 *[Additional investment in investment funds]* of National Instrument 45-106, or

a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 *[Investment fund reinvestment]* of National Instrument 45-106,

☐ **(o)** an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,

☐ **(p)** a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,

☐ **(q)** a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,

☐ **(r)** a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,

☐ **(s)** an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,

☐ **(t)** a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,

☑ **(u)** an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,

☐ **(v)** a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor, or

☐ **(w)** a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse;

☐ **(x)** in Ontario, such other persons or companies as may be prescribed by the regulation under the Securities Act (Ontario)

*** If checking this category (x), please provide a description of how this category is met:

_____

_____

All amounts are in Canadian dollars.

As used in this Schedule "B", the following terms have the following meanings:

"**bank**" means a bank named in Schedule I or II of the *Bank Act* (Canada);

"**Canadian financial institution**" means

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or credit union league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"**company**" means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

"**control person**" has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds

(a) a sufficient number of any of the outstanding voting securities of an issuer so as to affect materially the control of the issuer, or

(b) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

"debt security" means any bond, debenture, note or similar instrument representing indebtedness, whether secured or unsecured;

"**director**" means

(a) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

"**eligibility adviser**" means

(a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and

(b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not

(i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and

(ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous **[12]** months;

"**entity**" means a company, syndicate, partnership, trust or unincorporated organization;

"**executive officer**" means, for an issuer, an individual who is

(a) a chair, vice-chair or president,

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

(c) performing a policy-making function in respect of the issuer;

"**financial assets**" means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"**founder**" means, in respect of an issuer, a person who,

(a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and

(b) at the time of the distribution or trade is actively involved in the business of the issuer;

"**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"**investment fund**" has the same meaning as in National Instrument 81-106 Investment Fund Continuous Disclosure or in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec, and Saskatchewan has the same meaning as National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registration Obligations.

"**issuer**" means a person or company who has outstanding, issues or proposes to issue, a security;

"**person**" includes

(a) an individual,

(b) a corporation,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"**related liabilities**" means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

"**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"**spouse**" means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or

(c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

For the purpose hereof, an issuer is an **affiliate** of another issuer if

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same person.

"**voting security**" means any security other than a debt security of an issuer carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

For the purpose hereof, a person (first person) is considered to control another person (second person) if

(a) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,

(b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or

(c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

For the purpose hereof, for residents of Manitoba, "**distribution**" means a primary distribution to the public.

For the purpose hereof, for residents of Québec, "**trade**" refers to any of the following activities:

(a) the activities described in the definition of "dealer" in section 5 of the *Securities Act* (Québec), including the following activities:

(i) the sale or disposition of a security by onerous title, whether the terms of payment be on margin, installment or otherwise, but does not include a transfer or the giving in guarantee of securities in connection with a debt or the purchase of a security, except as providing in paragraph (b);

(ii) participation as a trader in any transaction in a security through the facilities of an exchange or a quotation and trade reporting system;

(iii) the receipt by a registrant of an order to buy or sell a security;

(b) a transfer or the giving in guarantee of securities of an issuer from the holdings of a control person in connection with a debt.

In NI 45-106 a person or company is an affiliate of another person or company if one is a subsidiary of the other, or if each of them is controlled by the same person or company.

In NI 45-106 and except in Part 2 Division 4 of NI 45-106, a person (first person) is considered to control another person (second person) if (a) the first person beneficially owns or, directly or indirectly, exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

In NI 45-106 a trust company or trust corporation described in paragraph (p) above of the definition of "accredited investor" (other than in respect of a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) is deemed to be purchasing as principal.

In NI 45-106 a person described in paragraph (q) above of the definition of "accredited investor" is deemed to be purchasing as principal.

The foregoing representation and warranty is true and accurate as of the date of this certificate and will be true and accurate as of the applicable Closing of the issue of Shares as set forth in the attached Share Purchase Agreement. If any such representation or warranty shall not be true and accurate at such Closing, the undersigned shall give immediate written notice of such fact to the Corporation.

Dated: July 3, 2018

Signed: ×

Anson Advisors Inc.

Print Name of Purchaser

Moez Kassam - Director

If Purchaser is a Corporation, Print Name and Title of Authorized Signing Officer

APPENDIX I TO SCHEDULE "B"

Form 45-106F9 – Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Convertible Debentures	Issuer: CannaRoyalty Corp.
Purchased from: Issuer	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of $_____ . [*Instruction: Insert the total dollar amount of the investment.]*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
• Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be	

more than $300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON

5. Salesperson information

First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	

SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

6. For more information about this investment

CannaRoyalty Corp.
240 Richmond St W
Toronto, Ontario, Canada
M5V 1V6

Contact: Afzal Hasan, President and General Counsel
Telephone: 416.786.5068
Email: ahasan@cannaroyalty.com
Website: cannaroyalty.com

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

SCHEDULE "C"

FOREIGN PURCHASER'S CERTIFICATE
(Residents of Jurisdictions other than Canada and the United States)

Capitalized terms not specifically defined in this Schedule "C" have the meanings ascribed to them in the Subscription Agreement to which this Schedule "C" is attached.

In connection with the purchase by the undersigned Purchaser of the Purchased Debentures, the Purchaser, on its own behalf and on behalf of each of the beneficial purchasers for whom the Purchaser is acting, hereby represents, warrants, covenants and certifies to the Corporation and the Agents(and acknowledges that the Corporation, the Agents and their respective counsel are relying thereon) that:

(a) The Purchaser is, and each beneficial purchaser for whom the Purchaser may be acting as trustee or agent is, a resident of a country (an "**International Jurisdiction**") other than Canada or the United States and the decision to subscribe for the Debentures was taken in such International Jurisdiction.

(b) The delivery of the Subscription Agreement, the acceptance of it by the Corporation and the issuance of the Debentures to the Purchaser, or any beneficial purchasers for whom the Purchaser is acting, complies with all laws applicable to the Purchaser and such beneficial purchaser, including the laws of such purchaser's jurisdiction of residence, and all other applicable laws, and will not cause the Corporation to become subject to, or require it to comply with, any disclosure, prospectus, filing or reporting requirements under any applicable laws of the International Jurisdiction.

(c) The Purchaser, and each such beneficial purchaser, if any, is knowledgeable of, or has been independently advised as to, the application or jurisdiction of the securities laws of the International Jurisdiction that would apply to the subscription (other than the securities laws of Canada and the United States).

(d) The Purchaser, and each such beneficial purchaser, if any, is purchasing the Purchased Debentures pursuant to exemptions from the prospectus and registration requirements (or their equivalent) under the applicable securities laws of that International Jurisdiction or, if such is not applicable, each is permitted to purchase the Purchased Debentures under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption.

(e) The applicable securities laws do not require the Corporation to register any of the Purchased Debentures, file a prospectus or similar document, or make any filings or disclosures or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction.

(f) The Purchaser will, if requested by the Corporation, deliver to the Corporation a certificate or opinion of local counsel from the International Jurisdiction that will confirm the matters referred to in subparagraphs (b), (d) and (e) above to the satisfaction of the Corporation, acting reasonably.

(g) The Purchaser, and each such beneficial purchaser, if any, will not sell, transfer or dispose of the Purchased Debentures except in accordance with all applicable laws, including applicable securities laws of Canada and the United States, and the Purchaser, and each such beneficial purchaser, if any, acknowledges that the Corporation shall have no obligation to register any such purported sale, transfer or disposition which violates applicable Canadian or United States or other securities laws.

(h) Upon execution of this Schedule "C" by the Purchaser, this Schedule "C" shall be incorporated into and form an integral part of the Subscription Agreement.

The foregoing representations, warranties, covenants and certifications contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations, warranties, covenants and certifications shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Corporation and the Agents prior to the Closing Time.

Dated: _____ Signed: _____

_____ _____

Witness (If Purchaser is an Individual) Print name of Purchaser

_____ _____

Print Name of Witness If Purchaser is not an Individual, print name and title of Authorized Signing Officer

SUBSCRIPTION AGREEMENT

(Canadian and Non-United States Purchasers)

A completed and executed copy of this Subscription Agreement, including all applicable schedules hereto, must be delivered by no later than 4:00 p.m. (Toronto time) on July 5, 2018 to Canaccord Genuity Corp., 161 Bay Street, Suite 3000, P.O. Box 516, Toronto, Ontario, M5J 2S1, Attention: ecm@canaccordgenuity.com.

TO: **CANNAROYALTY CORP.** (the "**Corporation**")

AND TO: **CANACCORD GENUITY CORP.** (the "**Lead Agent**"), **ALTACORP CAPITAL INC., BEACON SECURITIES LTD., CORMARK SECURITIES INC., SPROTT CAPITAL PARTNERS, INFOR FINANCIAL INC., and MACKIE RESEARCH CAPITAL CORPORATION,** (together with the Lead Agent, the "**Agents**")

The undersigned (the "**Purchaser**"), on its own behalf and, if applicable, on behalf of those for whom the Purchaser is contracting hereunder, hereby irrevocably subscribes for and agrees to purchase the aggregate principal amount of unsecured convertible debentures of the Corporation (individually a "**Debenture**" and collectively, the "**Debentures**") as set out below, at a price of $1,000 per Debenture, subject to the following terms and conditions. This agreement, which for greater certainty includes and incorporates the attached Schedules, is referred to herein as the "**Subscription Agreement**". The Purchaser agrees to be bound by the terms and conditions set forth in the attached "Terms and Conditions of Subscription" including without limitation the representations, warranties and covenants set forth therein and in the Schedules attached thereto. The Purchaser further agrees, without limitation, that the Corporation and the Agents may rely on the Purchaser's representations, warranties and covenants contained in such documents.

The Offering (as hereinafter defined) is being made on a commercially reasonable efforts, fully marketed private placement basis. Pursuant to the Agency Agreement (as hereinafter defined), the Agents have agreed to act as agents in respect of the Offering.

Price Per Debenture: $1,000

Number of Debentures Purchased: 6,000 **Total Purchase Price:** $ 6,000,000

Number of Common Shares of the Corporation currently owned (directly or indirectly) by the Purchaser (or any Beneficial Purchaser) and/or number of Common Shares of the Corporation issuable upon conversion of convertible securities owned (directly or indirectly) by the Purchaser: 589,675

Name and Address of Purchaser

Anson Advisors Inc.
(Name of Purchaser - please print)

by: Director
(Official Capacity or Title - please print)

X _____
Authorized Signature

Moez Kassam
(Please print name of individual whose signature appears above if different than the name of the Purchaser printed above.)

#207-155 University Ave
(Purchaser's Address)

Toronto, Ontario M5H 3B7

1-416-447-8874
(Telephone Number)

Details of Beneficial Purchaser (i.e. the party for whom the undersigned is contracting, if not the same as the Purchaser identified above). If the Purchaser is signing as agent for a principal and is not deemed to be purchasing as principal pursuant to NI 45-106 (as defined herein) by virtue of being either: (i) a trust company or trust corporation acting on behalf of a fully managed account managed by the trust company or trust corporation; or (ii) a person acting on behalf of a fully managed account managed by it, and in each case satisfying the criteria set forth in NI 45-106, please ensure that Schedule "B" is completed on behalf of such principal.

(Name of Principal – please print)

(Principal's Address)

(if space is inadequate please attach a schedule containing the necessary information)

(Telephone Number)

Purchaser Registration Instructions:

Investor Company ITF SJS 636
Name
Anson Investments Master Fund LP
Account reference, if applicable
77 Bloor St. W. 3rd floor
Address
Toronto, Ontario M5S 1M2

Purchaser Delivery Instructions:

Anson Advisors Inc.
Name

Account reference, if applicable
Zahra Haider
Contact Name
#207 - 155 University Ave.
Address
Toronto, Ontario M5H 3B7

1-416-447-8874
Telephone Number
operations@ansonfunds.com
Facsimile Number

Execution by the Purchaser above shall constitute an irrevocable offer and agreement by the Purchaser to subscribe for the securities described herein on the terms and conditions herein set out. The Corporation shall be entitled to rely on the delivery of a PDF copy or on execution by other electronic means of this Subscription Agreement, and acceptance by the Corporation of such PDF or execution by other electronic means of this Subscription Agreement shall be legally effective to create a valid and binding agreement between the Purchaser and the Corporation in accordance with the terms and conditions hereof.

THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

ACCEPTANCE

The foregoing is acknowledged, accepted and agreed to this _____ day of _____, 2018 on the terms and conditions contained in this Subscription Agreement.

CANNAROYALTY CORP.

Per: _____
Authorized Signatory

TERMS AND CONDITIONS OF SUBSCRIPTION

1. **Subscription and Offering.**

The Purchaser hereby tenders to the Corporation this subscription which, subject to and upon acceptance by the Corporation, will constitute an irrevocable agreement of the Purchaser to purchase from the Corporation, and of the Corporation to sell to the Purchaser, that number of Debentures set out on the face page hereof (the "**Purchased Debentures**"), at a price of $1,000 per Purchased Debenture, all on the terms and subject to the conditions set out in this Subscription Agreement. The Purchased Debentures form part of a larger offering (the "**Offering**") of Debentures for aggregate gross proceeds in the amount of up to $30,000,000 (the "**Initial Debentures**") pursuant to the terms of an agency agreement (the "**Agency Agreement**") to be entered into on the Closing Date (as hereinafter defined) between the Corporation and the Agents.

The Offering is being made by the Agents on a fully marketed private placement basis. Pursuant to the Agency Agreement, the Agents have agreed to use their commercially reasonable efforts to arrange for purchasers of up to $30,000,000 principal amount of Debentures. In addition, the Corporation has granted the Agents an option (the "**Agents' Option**") to use their commercially reasonable efforts to arrange for purchasers of up to an additional 4,500 Debentures having terms identical to the Initial Debentures (the "**Additional Debentures**") and, together with the Initial Debentures, the "**Offered Securities**"), exercisable at any time prior to the closing of the Offering. The Agents' Option is exercisable, in whole or in part, at any time prior to the closing of the Offering. For further clarity, all references to "Offered Securities" include any Additional Debentures, and all references to the "Offering" include any exercise of the Agents' Option.

The net proceeds of the Offering are expected to be used to expand the Company's footprint across California and other general corporate purposes.

2. **Terms of the Debentures**

Each Debenture shall bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing December 31, 2018. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The December 31, 2018 interest payment will represent accrued interest for the period from the Closing Date to December 31, 2018. The Debentures will be convertible into common shares of the Company ("**Common Share**") at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date (as defined herein), and (ii) the date fixed for redemption (as more particularly set out in the Term Sheet upon a "Change of Control"), at a conversion price of $6.25 per Common Share (the "**Conversion Price**"), subject to adjustment in certain customary events. At any time following the date that is four (4) months and one day following the Closing Date, the Company may force the conversion of the principal amount of the then outstanding Debentures at the Conversion Price on not less than thirty (30) days' notice should the daily volume weighted average trading price of the Common Shares be greater than $9.00 for any ten (10) consecutive trading days. Holders converting their Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, and including, the date of conversion.

A summary of the material terms of the Debentures is included in the Term Sheet attached as Schedule "A"; however, reference should be made to the Indenture (as hereinafter defined) for the definitive terms of the Debentures. In the event of a conflict or inconsistency between the provisions hereof, including the Term Sheet, and the Indenture the Indenture shall be paramount and govern.

3. **Definitions.** In addition to terms defined elsewhere in this Subscription Agreement, in this Subscription Agreement, unless the context otherwise requires:

(a) "**affiliate**", "**distribution**" and "**insider**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

(b) "**Business Day**" means any day other than a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario;

(c) "**CDS**" means CDS Clearing and Depository Services Inc.;

(d) "**Closing**" means the completion of the offer, issue and sale by the Corporation of the Debentures pursuant to the Agency Agreement and the Subscription Agreements with Purchasers of the Debentures;

(e) "**Closing Date**" means July 12, 2018, or such other date as the Corporation and the Lead Agent may agree pursuant to the provisions of the Agency Agreement;

(f) "**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or such other time as the Corporation and the Lead Agent may agree pursuant to the provisions of the Agency Agreement;

(g) "**CSE**" means the Canadian Securities Exchange;

(h) "**Designated Jurisdictions**" means the provinces and territories of Canada in which Purchasers are resident;

(i) "**Indenture**" means the debenture indenture dated the Closing Date as between a duly licensed trust company to be determined between the Corporation and the Lead Agent, and the Corporation, pursuant to which the Debentures will be issued and providing for the definitive terms of the Debentures;

(j) "**Information**" means all information regarding the Corporation which has been publicly filed by the Corporation, and includes, but is not limited to, all news releases, material change reports and financial statements of the Corporation;

(k) "**Maturity Date**" means the date that is three years following the Closing Date;

(l) "**NI 45-102**" means National Instrument 45-102 – *Resale Restrictions*;

(m) "**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions*;

(n) "**person**" means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

(o) "**Personal Information**" means any information about a person (whether an individual or otherwise) and, with respect to the Purchaser, includes information contained in this Subscription Agreement and the Schedules incorporated by reference herein;

(p) "**Purchasers**" means, collectively, all purchasers of the Debentures pursuant to the Offering, including the Purchaser and each beneficial purchaser for whom a Purchaser is acting pursuant to this Subscription Agreement;

(q) "**Securities Commissions**" means, collectively, the applicable securities commission or other securities regulatory authority in each of the Designated Jurisdictions;

(r) "**Securities Laws**" means, collectively, the applicable securities laws of each of the Designated Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the Securities Commissions;

(s) "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

(t) "**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and

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

4. **Delivery and Payment.** The Purchaser agrees that the following shall be delivered to the Lead Agent, at the address and by the date and time set out on the face page hereof, or such other place, date or time as the Agents may advise:

(a) a completed and duly signed copy of this Subscription Agreement;

(b) if the Purchaser or beneficial purchaser, if any, is purchasing the Purchased Debentures as an "**accredited investor**" as defined in NI 45-106, a duly completed and executed copy of the Accredited Investor Status Certificate in the form attached hereto as Schedule "B" (including Exhibit I – Risk Acknowledgement Form for Individual Accredited Investors if the Purchaser falls under paragraphs j, k or l of the definition of "accredited investor");

(c) if the Purchaser is resident in or otherwise subject to applicable securities laws of a jurisdiction other than Canada or the United States, a duly completed and executed Foreign Purchaser's Certificate in the form attached hereto as Schedule "C";

(d) the Purchaser shall deliver the Total Purchase Price payable in respect of the Purchased Debentures subscribed for hereby to the Lead Agent not later than 8:00 a.m. (Toronto time) one Business Day before the Closing Date, by wire transfer, certified cheque or bank draft drawn on a Canadian chartered bank or trust company in Canadian dollars and payable to "Canaccord Genuity Corp." or in such other manner as may be specified by the Agents; and

(e) any other documents required by Securities Laws which the Corporation or the Agents may request.

The Purchaser, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, acknowledges and agrees that such documents, when executed and delivered by the Purchaser, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Purchaser hereunder in favour of the Corporation and the Agents. The Purchaser and each such beneficial purchaser consents to the filing of such documents as may be required to be filed with the Securities Commissions in connection with the transactions contemplated hereby. The Purchaser and each such beneficial purchaser acknowledges and agrees that this offer, the Total Purchase Price and any other documents delivered in connection herewith will be held by the Agents until such time as the conditions set out in the Agency Agreement are satisfied by the Corporation or waived by the Agent.

The Corporation and the Agents shall be entitled to rely on the delivery of a PDF copy or on execution by other electronic means of this Subscription Agreement, and acceptance by the Corporation of such PDF or execution by other electronic means of this Subscription Agreement shall be legally effective to create a valid and binding agreement between the Purchaser and the Corporation in accordance with the terms and conditions hereof. If less than a complete copy of this Subscription Agreement is delivered to the Corporation on Closing, the Corporation and the Agents shall be entitled to assume that the Purchaser accepts and agrees with all terms and conditions of this Subscription Agreement on pages not delivered at Closing unaltered. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

5. **Closing.** The closing of the Offering will take place at 8:00 a.m. (Toronto time) (the "**Closing Time**") at the offices of counsel to the Company on July 12, 2018, or such other date that is mutually agreed upon in writing by the Corporation and the Agents, at which time delivery of the Offered Securities will be made, and the disbursements, expenses and commissions of the Agents will be paid, to the Lead Agent, against delivery to the Company of the gross proceeds of the Offering.

If, immediately prior to the Closing Time, the terms and conditions contained in this Subscription Agreement or the Agency Agreement have not been complied with to the satisfaction of the Agents or the Corporation, as applicable, or duly waived, the Agents or the Corporation, as applicable will promptly provide notice in writing of such breach or non-compliance to the Agents, the Corporation and the Purchaser, as applicable and each of the Agents, the Corporation and the Purchaser will have no further obligations under this Subscription Agreement.

The Lead Agent is hereby appointed as the Purchaser's agent and attorney to represent the Purchaser, and any beneficial purchaser for whom the Purchaser is acting, at the Closing for the purpose of all closing matters, deliveries of documents (including, without limitation, the delivery of certificate(s) representing the Debentures, if any, or the deposit thereof with CDS), and is hereby irrevocably authorized by the Purchaser for and on behalf of the Purchaser, and any beneficial purchaser for whom the Purchaser is acting as agent or trustee, to extend such time periods and modify or waive such conditions as may be contemplated herein or in the Agency Agreement or, in its absolute discretion, as it deems appropriate. Without limiting the generality of the foregoing, the Lead Agent is specifically and exclusively authorized to: (a) waive representations and warranties, covenants or conditions in favour of the Purchaser or the Agents contained in this Subscription Agreement and the Agency Agreement; (b) correct minor errors or omissions in the information provided by the Purchaser in this Subscription Agreement (including, for greater certainty, the Schedules attached hereto) and any other documents or forms delivered by the Purchaser in connection with the transactions contemplated hereby, if any; and (c) provide the Corporation alternative registration instructions with respect to the Debentures subscribed for pursuant to this Subscription Agreement, and any such instructions provided by the Lead Agent to the Corporation will supersede any registration instructions provided by the Purchaser in this Subscription Agreement. In addition, the Purchaser and each beneficial purchaser, if any, acknowledges and agrees that the Agents are entitled to exercise or not to exercise, in their absolute discretion, the rights of termination under the Agency Agreement.

The Purchaser will take up, purchase and pay for the Purchased Debentures at the Closing upon acceptance of this offer by the Corporation and the satisfaction by the Corporation, or waiver by the Agents, of the conditions set out in the Agency Agreement.

It is anticipated that except in certain limited instances in which certain Purchasers may settle subscriptions directly with the Corporation in certified form, the Debentures to be issued pursuant to the Offering will be deposited with CDS via global certificate or electronically, in each case, through the book-entry only system administered by CDS on the Closing Date in accordance with the Debenture Indenture, as applicable. Unless otherwise agreed by the Corporation, the Purchaser will not be entitled to receive definitive certificates or other instruments from the Corporation or CDS representing their interest in the securities purchased hereunder. Except in certain limited instances, it is anticipated that the Purchaser will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Debentures are purchased against payment of the Total Purchase Price. The ability of the Purchaser to pledge such securities or otherwise take action with respect to the Purchaser's interest in the Debentures, if applicable, may be limited due to the lack of a physical certificate.

The Purchaser agrees to do, execute, acknowledge and deliver all such further documents, assignments, transfers, agreements and other assurances as may be reasonably necessary or desirable to give full effect to this Subscription Agreement. Without limiting the foregoing, the Lead Agent is hereby irrevocably appointed as the true and lawful attorney of the Purchaser with full power of substitution with authority to do all things and execute and deliver, on behalf of and in the name of the Purchaser, such deeds, transfers, share certificates or other documents as may be necessary or desirable to give effect to the foregoing, and the Purchaser shall have no claim or cause of action against the Corporation, the Agents or any third party, as a result of the Lead Agent so acting as its attorney. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the insolvency or bankruptcy of the Purchaser, and the Purchaser hereby ratifies and confirms and agrees to ratify and confirm all that such attorney may lawfully do or cause to be done by virtue of such appointment and power.

6. **Representations, Warranties and Covenants of the Corporation. By accepting this offer, the** Corporation agrees that the Purchaser will have the benefit of all the representations, warranties and covenants given by the Corporation in the Agency Agreement as if the Purchaser was a party to such Agency Agreement and a direct beneficiary of such provisions and further agrees that all such representations, warranties and covenants will be deemed to be incorporated herein as if they were reproduced in their entirety, with such changes as are necessary in order to reflect that such representations, warranties and covenants are being made by the Corporation to the Purchaser, to the extent that such representations, warranties and covenants are not amended or waived by the Agents. The Purchaser agrees that the amount of any claim based on the Corporation's breach of a representation, warranty or covenant contained in the Agency Agreement shall be limited to the amount of the Total Purchase Price of the Purchased Debentures.

7. **Conditions of Closing.** The Purchaser acknowledges that the Corporation's obligation to sell the Debentures to the Purchaser is subject to, among other things, the following conditions being satisfied at or prior to the Closing Time:

(a) delivery of all documents referred to in Section 4 in the manner contemplated therein;

(b) the fulfilment at or before the Closing Time of each of the conditions of the Closing set out in the Agency Agreement, except those conditions that are waived by the Agents or the Corporation, as applicable;

(c) the Corporation having obtained all required regulatory approvals (including those that may be required under Securities Laws and the CSE) to permit the sale of the Purchased Debentures;

(d) the offer, issue and sale and delivery of the Purchased Debentures being exempt from the requirements to file a prospectus pursuant to NI 45-106 or any similar document under applicable Securities Laws and other applicable securities laws relating to the sale of the Purchased Debentures, or the Corporation having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or delivering an offering memorandum or any similar document; and

(e) the representations and warranties of the Purchaser and each beneficial purchaser, if any, made in this Subscription Agreement being true and correct as at the Closing Time.

The Purchaser and each beneficial purchaser, if any, acknowledges and agrees that as the sale of the Debentures will not be qualified by a prospectus, and that such sale is subject to the condition that the Purchaser (or, if applicable, any beneficial purchasers for whom the Purchaser is contracting hereunder) sign and return to the Corporation or the Agents all relevant documentation required by the Securities Laws.

The Purchaser and each beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent acknowledges and agrees that the Corporation will be required to provide to certain Securities Commissions and the CSE a list setting out the identities of the beneficial purchasers of the Debentures. Notwithstanding that the Purchaser may be purchasing Debentures as an agent on behalf of an undisclosed principal (if permissible under the relevant Securities Laws or other applicable securities laws), the Purchaser agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Agents or the Corporation in order to comply with the foregoing.

8. **Acceptance or Rejection.** The Corporation will have the right to accept or reject this Subscription Agreement in whole or in part at any time at or prior to the Closing Time and the right to reduce the number of Debentures that the Purchaser is subscribing for hereunder. The Corporation will be deemed to have accepted this offer upon the Corporation's execution of the acceptance form at page 3 of this Subscription Agreement and the delivery (or deposit) of the Debentures or according to the direction of the Agents in accordance with the provisions of this Subscription Agreement and the Agency Agreement.

If this offer is rejected in whole, the Purchaser and each beneficial purchaser, if any, for whom the Purchaser is acting as agent or trustee, understands that any funds, certified cheques, or bank drafts delivered by the Purchaser representing the Total Purchase Price for the Purchased Debentures will be promptly returned to the Purchaser without interest or deduction. If this Subscription Agreement is accepted only in part, the Purchaser understands that a cheque representing the portion of the Total Purchase Price for that portion of its subscription for Purchased Debentures that is not accepted will be promptly delivered to the Purchaser without interest or deduction.

9. **Purchaser's Representations and Warranties.** The Purchaser represents and warrants (on its own behalf and on behalf of any beneficial purchaser for whom it is acting) to the Corporation and the Agents as follows and acknowledges that the Corporation and the Agents are relying on such representations and warranties in connection with the transactions contemplated in this Subscription Agreement:

(a) <u>Investment Suitability</u>. **THE PURCHASER, OR BENEFICIAL PURCHASER, IF ANY, FOR WHOM THE PURCHASER IS ACTING AS TRUSTEE OR AGENT, HAS SUCH**

KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS AFFAIRS AS TO BE CAPABLE OF EVALUATING THE MERITS AND RISKS OF THE INVESTMENT HEREUNDER IN THE PURCHASED DEBENTURES AND IS ABLE TO BEAR THE ECONOMIC RISK OF TOTAL LOSS OF SUCH INVESTMENT.

(b) **Authorization and Effectiveness**. If the Purchaser (or the beneficial purchaser) is an individual, he or she is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Purchaser (or the beneficial purchaser) is a corporation, the Purchaser (or the beneficial purchaser) is duly incorporated and is a valid and existing corporation under the laws of its governing jurisdiction, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Debentures and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Purchaser (or the beneficial purchaser) is a partnership, syndicate or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Debentures and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Corporation, this Subscription Agreement will constitute a legal, valid and binding agreement of the Purchaser and the beneficial purchaser enforceable against the Purchaser and the beneficial purchaser in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Purchaser's and beneficial purchaser's constating documents, by-laws or authorizing resolutions (if applicable), or any indenture, contract, agreement (whether written or oral), instrument or other document to which the Purchaser or the beneficial purchaser is a party or by which the Purchaser or the beneficial purchaser is bound or any law applicable to the Purchaser or the beneficial purchaser or any judgement, law applicable to the Purchaser or the beneficial purchaser, decree, order, statute, rule or regulation applicable to the Purchaser or the beneficial purchaser.

(c) **Residence**. The Purchaser, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, was offered the Purchased Debentures in, and is a resident of, the jurisdiction referred to under "Name and Address of Purchaser" and "Details of Beneficial Purchaser", respectively, set out on the face page and page 2 of this Subscription Agreement and intends that the Securities Laws of that jurisdiction govern any transaction involving the Debentures subscribed for by the Purchaser or any beneficial purchaser for whom it is contracting hereunder and that such addresses were not created and are not used solely for the purpose of acquiring the Purchased Debentures. The purchase and sale to the Purchaser of the Debentures, and any act, solicitation, conduct or negotiation, directly or indirectly, in furtherance of such purchase or sale has occurred only in such jurisdiction.

(d) **Private Placement Exemptions**. The Purchaser is eligible to purchase the Debentures pursuant to an exemption from the prospectus and registration requirements of the Securities Laws, and, if applicable, the Purchaser has properly completed, executed and delivered to the Corporation the applicable certificate (dated as of the date hereof) set forth in Schedule "B" indicating that the Purchaser fits within one of the exemption categories under applicable Securities Laws, and the information contained therein is true and correct and the representations, warranties and covenants contained in the applicable Schedules attached hereto will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time.

(e) **Purchasing as Principal**. Unless subsection 9(g) below applies, the Purchaser is purchasing the Purchased Debentures as principal (as defined under applicable Securities Laws) for its own account, and not for the benefit of any other person.

(f) **Purchasing for Investment Only**. Unless subsection 9(g) below applies, the Purchaser is purchasing the Purchased Debentures for investment only and not with a view to resale or distribution. The Purchaser (or beneficial purchaser) was not created or used solely to purchase or hold securities as described in the Accredited Investor Certificate provided in Schedule "B".

(g) **Purchasing as Agent or Trustee**.

(i) In the case of the purchase by the Purchaser of the Purchased Debentures as agent or trustee for any principal, the Purchaser is the duly authorized trustee or agent of such beneficial purchaser with due and proper power and authority to execute and deliver, on behalf of each such beneficial purchaser, this Subscription Agreement and all other documentation in connection with the purchase of the Purchased Debentures hereunder, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such beneficial purchaser were the Purchaser and the Purchaser's actions as trustee or agent are in compliance with applicable law and the Purchaser and each beneficial purchaser acknowledges that the Corporation is required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser of Purchased Debentures for whom it may be acting;

(ii) in the case of the purchase by the Purchaser of the Purchased Debentures as agent or trustee for any principal whose identity is disclosed or identified, each beneficial purchaser of the Purchased Debentures for whom the Purchaser is acting, is purchasing the Purchased Debentures: (1) as principal for its own account and not for the benefit of any other person; (2) for investment only and not with a view to resale or distribution and was not created or used solely to purchase or hold securities in reliance and it pre-existed the Offering and has a *bona fide* purpose other than investment in the Debentures; and (3) the beneficial purchaser is an "accredited investor" (as defined in NI 45-106 or the *Securities Act* (Ontario)); or

(iii) in the case of the purchase by the Purchaser of the Purchased Debentures on behalf of an undisclosed beneficial purchaser, the Purchaser is deemed under applicable Securities Laws to be purchasing as principal and is purchasing the Purchased Debentures as an accredited investor.

(h) **Broker**. Other than the Agents, there is no person acting or purporting to act on behalf of the Purchaser in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee.

(i) **Illegal Use of Funds**. None of the funds being used to purchase the Purchased Debentures are to the knowledge of the Purchaser and the beneficial purchaser, if any, proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Purchased Debentures which will be advanced by the Purchaser to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended (the "**PCMLTFA**") and the Purchaser and the beneficial purchaser, if any, acknowledge that the Corporation may in the future be required by law to disclose the Purchaser's name and the name of any beneficial purchaser and other information relating to this Subscription Agreement and the Purchaser's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge, none of the funds to be provided by the Purchaser or the beneficial purchaser are being tendered on behalf of a person or entity that has not been identified to the Purchaser. The Purchaser covenants to promptly notify the Corporation if the Purchaser discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.

(j) **Financial Assistance**. The Purchaser (and any beneficial purchaser) has not received, nor does it expect to receive any financial assistance from the Corporation, directly or indirectly, in respect of the purchase of the Purchased Debentures.

(k) **Resale Restrictions**. The Purchaser, and each beneficial purchaser for whom it is contracting hereunder, acknowledges that (i) it has been provided with the opportunity to consult its own legal advisors with respect to trading in the Debentures and the Common Shares issuable upon conversion thereof (the "**Underlying Securities**"), as applicable, and with respect to the resale restrictions, as applicable, imposed by the securities laws of the jurisdiction in which the Purchaser or any beneficial purchaser for whom it is contracting hereunder resides and other applicable securities laws; (ii) no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to the Debentures and the Underlying Securities which restrict the

ability of the Purchaser (or any beneficial purchaser for whom it is contracting hereunder) to resell such securities; (iii) it is solely responsible to find out what these restrictions are; (iv) it is solely responsible (and neither the Corporation nor the Agents are in any way responsible) for compliance with applicable resale restrictions; and (v) it is aware that it may not be able to resell the Debentures except in accordance with limited exemptions under the Securities Laws and other applicable securities laws.

(l) **No Purchase or Offer in United States**. The Purchaser, or beneficial purchaser, if any, for whom it is acting as trustee or agent:

(i) is a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a professional fiduciary organized, incorporated, or (if an individual) resident in the United States; or

(ii) is not, and is not purchasing the Purchased Debentures for the account or benefit of, a U.S. Person under the U.S. Securities Act or for resale in the United States or to a U.S. Person in violation of United States federal or state securities laws, was not offered the Purchased Debentures in the United States, at the time the purchase order originated was outside the United States, and did not execute or deliver this Subscription Agreement or related documents in the United States; and

(iii) acknowledges that neither the Debentures nor the Underlying Securities have been registered under the U.S. Securities Act or the securities laws of any state, and such securities may not be offered or sold in the United States or to a U.S. Person, unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available, and agrees not to offer or sell the Debentures or Underlying Securities in the United States or to a U.S. Person, unless registered under the U.S. Securities Act or an exemption from registration under the U.S. Securities Act and applicable state securities laws is available.

(m) **Corporation or Unincorporated Organization**. If the Purchaser, or any beneficial purchaser for whom it is acting as trustee or agent, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Purchaser or such beneficial purchaser was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption.

(n) **Absence of Offering Memorandum or Similar Document**. The Purchaser, or beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, has not received, has not requested and does not have any need to receive, any offering memorandum or any other document describing the business and affairs of the Corporation, and no document has been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Purchased Debentures.

(o) **Absence of Advertising**. The offering and sale of the Purchased Debentures to the Purchaser and beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, was not made or solicited through, and the Purchaser and each such beneficial purchaser is not aware of, any general solicitation or general advertising with respect to the offering of the Debentures, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the Internet, including but not limited to the Corporation's website), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(p) **International Purchasers**. If the Purchaser is a resident of a country other than Canada or the United States (an "**International Jurisdiction**"), then in addition to the other representations and warranties contained herein, the Purchaser represents and warrants that:

(i) the Purchaser is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction which would apply to this Subscription Agreement, if any;

(ii) the Purchaser is purchasing the Purchased Debentures, and will receive the Underlying Securities, pursuant to exemptions from any prospectus, registration or similar requirements under the applicable securities laws of that International Jurisdiction or, if such is not applicable, the Purchaser is permitted to purchase the Purchased Debentures, and will receive the Underlying Securities, under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption;

(iii) the applicable securities laws do not require the Corporation to file a prospectus, registration statement or similar document or to register the Debentures or the Underlying Securities, or to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction;

(iv) the delivery of this Subscription Agreement, the acceptance of it by the Corporation and the issuance of the Debentures and the Underlying Securities to the Purchaser complies with or will comply with, as applicable, all applicable laws of the Purchaser's jurisdiction of residence or domicile and all other applicable laws and will not cause the Corporation to become subject to or comply with any disclosure, prospectus or reporting requirements under any such applicable laws; and

(v) the Purchaser has properly completed, executed and delivered to the Corporation (dated as of the date hereof) the Foreign Purchaser's Certificate set forth in Schedule "C", and the information contained therein is true and correct and the representations and warranties and covenants contained therein will be true and correct both as of the date of execution of this Subscription Agreement and as of the Closing Time.

(q) **No Undisclosed Information**. The decision of the Purchaser or beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, to tender this Subscription Agreement and acquire the Purchased Debentures has not been made as a result of any oral or written representation as to fact or otherwise made by or on behalf of the Corporation, the Agents or any other person and is based entirely upon this Subscription Agreement. The Purchaser, or beneficial purchaser, if any, for whom the Purchaser is acting as trustee or agent, has relied only on the information contained in this Subscription Agreement in making the decision to subscribe for the Purchased Debentures hereunder. Except for the Purchaser's knowledge regarding its subscription for Debentures hereunder, the Purchaser has no knowledge of a "material fact" or a "material change" (as those terms are defined in the applicable Securities Laws) in the affairs of the Corporation that has not been generally disclosed.

The Purchaser and each beneficial purchaser, if any, acknowledges and agrees that the foregoing representations and warranties are made by it with the intention that they may be relied upon by the Corporation and the Agents, and their respective counsel, for, among other things, determining the Purchaser's eligibility or, if applicable, the eligibility of the beneficial purchaser on whose behalf it is contracting hereunder to purchase the Purchased Debentures under applicable securities laws (including the Securities Laws). The Purchaser and each beneficial purchaser further agrees that by accepting delivery of the Purchased Debentures on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Date with the same force and effect as if they had been made by the Purchaser and each beneficial purchaser at the Closing Time and that they shall survive the purchase by the Purchaser of the Purchased Debentures and shall continue in full force and effect. The Purchaser and each beneficial purchaser undertakes to notify the Corporation immediately of any change in any representation, warranty or other information relating to the Purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

10. **Purchaser's Acknowledgements.** The Purchaser (on its own behalf and on behalf of any beneficial purchaser for whom it is acting) acknowledges and agrees that:

(a) The securities of the Corporation are not listed or quoted on any exchange or market other than the listing of the Corporation's Common Shares on the CSE, and the Corporation has no obligation to list its securities on any other exchange or market other than as set out herein.

(b) **THERE ARE RISKS ASSOCIATED WITH THE PURCHASE OF THE PURCHASED DEBENTURES AND THE PURCHASER IS CAPABLE OF BEARING THE ECONOMIC RISK OF THE INVESTMENT.**

(c) No agency, securities commission, governmental authority, regulatory body, stock exchange or other entity has reviewed, passed on, made any finding or determination as to the merit for investment of, and no such agencies, securities commissions, or governmental authorities have made any recommendation or endorsement with respect to the Debentures or the offering thereof and there is no government or other insurance covering the Debentures.

(d) The purchase of the Purchased Debentures has not been nor will be (as applicable) made through, or as a result of, and the distribution of the Purchased Debentures is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(e) The Purchased Debentures are being offered for sale only on a "private placement" basis. No prospectus or other offering document has been or will be filed by the Corporation with a Securities Commission or other securities regulatory authority in any province of Canada, or any other jurisdiction in or outside of Canada in connection with the issuance of the Debentures (or the Underlying Securities), and such issuances are exempt from the prospectus requirements otherwise applicable under the provisions of Securities Laws and, as a result, in connection with its purchase of the Purchased Debentures hereunder, as applicable:

(i) the Purchaser and each beneficial purchaser, if any, is not entitled to most of the protections, rights and remedies otherwise available under applicable Securities Laws including, without limitation, statutory rights of rescission or damages;

(ii) the Purchaser and each beneficial purchaser, if any, will not receive information that may otherwise be required to be provided to the Purchaser and each beneficial purchaser, if any, under applicable Securities Laws or contained in a prospectus prepared in accordance with applicable Securities Laws;

(iii) the Corporation is relieved from certain obligations that would otherwise apply under applicable Securities Laws; and

(iv) there are restrictions on the Purchaser's ability to resell the Debentures and the Underlying Securities and it is the responsibility of the Purchaser and each beneficial purchaser to find out what these restrictions are and to comply with them before selling such securities and neither the Corporation nor any of the Agents is in any manner responsible for complying with such restrictions.

(f) In consideration of the services to be provided by the Agents to the Company, the Agents shall receive, at the closing of the Offering, a cash commission equal to 4.50% of the gross proceeds raised in the Offering (the "**Cash Commission**").

(g) All costs and expenses incurred by the Purchaser and each beneficial purchaser, if any, relating to the purchase of the Purchased Debentures (including any fees and disbursements of legal counsel retained by the Purchaser or beneficial purchaser) shall be borne by the Purchaser and each beneficial purchaser, if any.

(h) The certificates representing the Debentures and the Underlying Securities, if issued prior to the expiration of applicable hold periods (and any replacement certificate issued prior to the expiration of the applicable hold periods), or ownership statements issued under a direct registration system or other electronic book-based or book-entry system, will bear a legend in accordance with the Securities Laws. For the Debentures and the Underlying Securities issued pursuant to the Offering, the following legend is required by section 2.5 of NI 45-102:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE]**

(i) In the event that the Corporation is required by applicable Securities Laws to provide written notice containing the foregoing legend to the beneficial purchaser of the Purchased Debentures, the Purchaser and such beneficial purchaser acknowledge that notice shall be deemed to have been given and received on the date on which such notice was delivered to the address of such beneficial purchaser provided on the face page hereof.

(j) No person has made any written or oral representations: (i) that any person will resell or repurchase the Purchased Debentures; (ii) that any person will refund any portion of the Total Purchase Price (except in accordance with the Indenture); or (iii) as to the future price or value of the Debentures or the Underlying Securities.

(k) The Corporation may complete additional financings in the future to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such financing may have a dilutive effect on the Purchaser.

(l) In purchasing the Purchased Debentures, the Purchaser (and, if applicable, the beneficial purchaser, if any), has relied solely upon this Subscription Agreement (including, for greater certainty, the term sheet attached as Schedule "A" hereto) and publicly available Information relating to the Corporation, not upon any verbal or written representation as to any fact or otherwise made by or on behalf of the Corporation or the Agents or any employee, agent or affiliate thereof or any other person associated therewith. The Agents assume no responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information upon which the Purchaser's or the beneficial purchaser's, if any, investment decision has been made or as to whether all information concerning the Corporation required to be disclosed by the Corporation has been disclosed. The Agents' counsel, DLA Piper (Canada) LLP, and the Corporation's counsel, Cassels Brock & Blackwell LLP, are entitled to the benefit of this subsection.

(m) The Purchaser and each beneficial purchaser is solely responsible for obtaining such legal advice and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement and the completion of the transactions contemplated hereby.

(n) The Purchaser and each beneficial purchaser acknowledge that this Subscription Agreement requires the Purchaser and each beneficial purchaser to provide certain Personal Information to the Corporation. Such information is being collected by the Corporation for the purposes of completing the Offering, which includes, without limitation, determining the eligibility of the Purchaser and each beneficial purchaser to purchase the Debentures under applicable Securities Laws, preparing and registering certificates representing the Debentures and completing filings required by the Securities Commissions. Personal Information of the Purchaser and each beneficial purchaser may be disclosed by the Corporation or the Agents to: (i) stock exchanges, the Securities Commissions or to other securities regulatory authorities, (ii) the registrar and transfer agent of the Corporation, and (iii) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Purchaser and each beneficial purchaser is deemed to be consenting to the foregoing collection, use and disclosure of their respective Personal Information. The Purchaser and each beneficial purchaser also consent to the filing of copies or originals of any of the Purchaser's documents described in section 4 hereof as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby.

(o) The Purchaser agrees that if the Purchaser transfers any of the Debentures or the Underlying Securities issuable upon conversion thereof, as applicable, during the period commencing on the Closing Date until the expiry of any restricted period prescribed by NI 45-102, the Purchaser will deliver to such subsequent transferee a written ownership statement that sets out the details of the applicable restricted period in respect of the Debentures or the Underlying Securities and the legend endorsed on such

Debentures or the Underlying Securities, as applicable, as set forth in section 10(h) of this Subscription Agreement.

11. **Further Acknowledgements of the Purchaser.** The Purchaser hereby acknowledges, agrees and consents to: (a) the disclosure of Personal Information to each of the Corporation, a stock exchange or the Securities Commissions; and (b) the collection, use and disclosure of Personal Information by the Corporation for corporate finance and shareholder communication purposes or such other purposes as are necessary to the Corporation's business. The Purchaser hereby acknowledges and consents to the collection, use, and disclosure of Personal Information by the Ontario Securities Commission, including the publishing or otherwise making available to the public Personal Information including, for individuals, their name, number and type of securities purchased, the purchase price therefor, and their insider or registrant status, if applicable, and for non-individual Purchasers, the above information and their address, contact person name and telephone number and the exemption relied upon. The Purchaser acknowledges and agrees that the Purchaser has been notified by the Corporation: (i) of the delivery to the Securities Commissions of Personal Information pertaining to the Purchaser included in Schedule 1 and 2 (if any) of Form 45-106F1, including, without limitation, the full name, residential address and telephone number of the Purchaser, the number and type of securities purchased and the Total Purchase Price paid in respect of the Purchased Debentures; (ii) that this information is being collected indirectly by the Securities Commissions under the authority granted to it in securities legislation; (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the Designated Jurisdictions; and (iv) that the title, business address and business telephone number of the public official in each of the provinces of Canada who can answer questions about the applicable Securities Commissions' indirect collection of the information is as listed below. The Purchaser and any beneficial subscriber consent to such disclosure of its Personal Information.

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403 297-6454
Toll free in Canada: 1 877 355-0585
Facsimile: 403 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604 899-6854
Toll free in Canada: 1 800 373-6393
Facsimile: 604 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204 945-2561
Toll free in Manitoba 1 800 655-5244
Facsimile: 204 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506 658-3060
Toll free in Canada: 1 866 933-2222
Facsimile: 506 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: 709 729-4189
Facsimile: 709 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: 902 424-7768
Facsimile: 902 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416 593- 8314
Toll free in Canada: 1 877 785-1555
Facsimile: 416 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902 368-4569
Facsimile: 902 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: 514 395-0337 or 1 877 525-0337
Facsimile: 514 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Secrétaire générale

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306 787-5842
Facsimile: 306 787-5899
Public official contact regarding indirect collection of information: Director

12. **Beneficial Purchasers.** Whether or not explicitly stated in this Subscription Agreement, any acknowledgement, representation, warranty, covenant or agreement made by the Purchaser in this Subscription Agreement, including the Schedules will be treated as if made by the beneficial purchaser for whom the Purchaser is acting as trustee or agent, if any.

13. **No Revocation.** The Purchaser and each beneficial purchaser, if any, agree that this offer is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Purchaser without the consent of the Corporation. Further, the Purchaser expressly waives and releases the Corporation and the Agent from all rights of withdrawal or rescission to which the Purchaser might otherwise be entitled pursuant to Securities Laws or otherwise at law.

14. **Assignment.** The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Purchaser and each beneficial purchaser, if any, the Corporation and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other parties. For greater certainty, this Subscription Agreement may only be transferred or assigned by the Purchaser subject to compliance with applicable laws (including, without limitation, applicable Securities Laws) and with the express prior written consent of the Corporation.

15. **Indemnity.** The Purchaser and each beneficial purchaser, if any, agrees to indemnify and hold harmless the Corporation and the Agents and their respective directors, officers, employees, agents, advisers, shareholders and affiliates from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in

investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Purchaser or beneficial purchaser contained herein or in any document furnished by the Purchaser to the Corporation or the Agents in connection herewith being untrue in any material respect or any breach or failure by the Purchaser to comply with any covenant or agreement made by the Purchaser herein or in any document furnished by the Purchaser to the Corporation or the Agents in connection herewith.

16. **Miscellaneous and Counterparts**. All representations, warranties, agreements and covenants made or deemed to be made by the Purchaser and each beneficial purchaser, if any, herein will survive the execution and delivery, and acceptance, of this offer and the Closing and shall continue in full force and effect. All representations and warranties, agreements and covenants made or deemed to be made by the Corporation herein will survive the closing and shall continue in full force and effect in accordance with the Agency Agreement. This Subscription Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same document.

17. **Governing Law**. This Subscription 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 Purchaser, each beneficial purchaser, if any, and the Corporation hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

18. **Facsimile and E-Mail Subscriptions.** The Corporation shall be entitled to rely on the delivery of a PDF copy or on execution by other electronic means of this Subscription Agreement, and acceptance by the Corporation of such PDF or execution by other electronic means of this Subscription Agreement shall be legally effective to create a valid and binding agreement between the Purchaser and the Corporation in accordance with the terms and conditions hereof.

19. **Entire Agreement**. This Subscription Agreement (including the Schedules hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only. In the event of any inconsistency between the provisions of this Subscription Agreement and the Agency Agreement, the provisions of the Agency Agreement shall prevail.

20. **Language**. The Purchaser and each beneficial purchaser, if any, acknowledges its consent and requests that all documents evidencing or relating in any way to its purchase of Debentures be drawn up in the English language only. *Nous reconnaissons par les présentes avoir consenti et demandé que tous les documents faisant foi ou se rapportant de quelque manière à l'achat des titres soient rédigés en anglais seulement.*

21. **Time of Essence.** Time shall be of the essence of this Subscription Agreement.

22. **Currency**. Unless otherwise stated, all dollar amounts referred to in this Subscription Agreement are in Canadian Dollars.

SCHEDULE "A"

Indicative Term Sheet

CannaRoyalty Corp.

Private Placement of 8.0% Convertible Debentures

Up to $30,000,000

June 19, 2018

Not for General Solicitation into the U.S. *- The securities will not be and have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States, and if sold in the United States will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act. The securities may be resold, pledged or otherwise transferred only pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act.*

Issuer:	CannaRoyalty Corp. ("**Company**").
Offered Securities:	8.0% unsecured convertible debentures (the "**Convertible Debentures**").
Size of Offering:	Up to $30,000,000 (the "**Offering**").
Offering Price:	$1,000 per Convertible Debenture.
Terms:	Fully marketed private placement.
Maturity:	Three years from the date the Convertible Debentures are issued.
Interest:	The Convertible Debentures shall bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing December 31, 2018. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The December 31, 2018 interest payment will represent accrued interest for the period from the Closing Date (as hereinafter defined) to December 31, 2018.
Conversion Privilege:	The Convertible Debentures will be convertible into common shares of the Company ("**Common Share**") at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date, and (ii) the date fixed for redemption (as set out in section entitled "**Change of Control**" below), at a conversion price of $6.25 per Common Share (the "**Conversion Price**"), subject to adjustment in certain customary events. Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, and including, the date of conversion.
Mandatory Conversion:	At any time following the date that is 4 months and one day following the Closing Date, the Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than $9.00 for any 10 consecutive trading days.

Change of Control:	Upon a Change of Control (as hereinafter defined) of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the Change of Control, at a price equal to 104% of the principal amount of the Convertible Debentures then outstanding plus accrued and unpaid interest thereon (the "**Offer Price**"). If 90% or more of the principal amount of the Convertible Debentures outstanding on the date of the notice of the Change of Control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price. For the purposes hereof, a "**Change of Control**" means (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A Change of Control will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity.
Over-Allotment Option:	Up to 15% of the number of Convertible Debentures issued pursuant to the Offering to cover any over-allotments and for market stabilization purposes, exercisable prior to the closing of the Offering.
Offering Jurisdictions:	All provinces of Canada, and in the United States by way of private placement to institutional accredited investors and outside of Canada and the United States on a private placement or equivalent basis.
Exchange:	Canadian Securities Exchange.
Eligibility:	The Convertible Debentures shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSAs and DPSPs.
Use of Proceeds:	To expand the Company's footprint across California and for working capital requirements and other general corporate purposes.
Commission:	4.50% of the gross proceeds raised in respect of the Offering (including the Over-Allotment Option).
Closing Date:	On or about July 12, 2018.
Lead Agent:	Canaccord Genuity Corp.

SCHEDULE "B"

FORM OF CANADIAN ACCREDITED INVESTOR STATUS CERTIFICATE

The Purchaser (or, as the case may be, the disclosed principal on behalf of whom the Purchaser is contracting for) is an "accredited investor", as such term is defined in National Instrument 45-106 or subsection 73.3 of the *Securities Act* (Ontario), because, at the applicable Closing, the Purchaser falls within one or more of the following categories (Please check one or more, as applicable).

A Purchaser checking boxes (j), (k) or (l) must also complete and sign Appendix "I" to this Schedule "B" (Form 49-106 – Form for Individual Accredited Investors).

Please check the appropriate box(es)

☐ **(a)** a Canadian financial institution, or a Schedule III bank (or in Ontario, a bank listed in Schedule I, II or III to the *Bank Act* (Canada)),

☐ **(b)** the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),

☐ **(c)** a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,

☐ **(d)** a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,

☐ **(e)** an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d) or in Ontario, except as otherwise prescribed by the regulations under the Securities Act (Ontario);

☐ **(e.1)** an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),

☐ **(f)** the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,

☐ **(g)** a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,

☐ **(h)** any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,

☐ **(i)** a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,

☐ **(j)** an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000,

"**financial assets**" means (a) cash, (b) securities, or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation,

"**related liabilities**" means (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (b) liabilities that are secured by financial assets,

"**spouse**" means, an individual who, (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta),

if (j) is selected, please check the range of net financial assets which you beneficially own, either alone or combined with your spouse:

You alone:	*You combined with a spouse:*
☐ $0 to $2,000,000	☐ $0 to $3,000,000
☐ $2,000,001 to $3,000,000	☐ $3,000,001 to $4,000,000
☐ 3,000,001 to $4,000,000	☐ $4,000,001 to $5,000,000
☐ > $4,000,001	☐ > $5,000,001

☐ **(j.1)** an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $5 000 000,

"**financial assets**" means (a) cash, (b) securities, or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation,

"**related liabilities**" means (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (b) liabilities that are secured by financial assets,

if (j.1) is selected, please check the *range of net financial assets which you beneficially own, alone:*

☐ $0 to $5,000,000

☐ $5,000,001 to $7,000,000

☐ $7,000,001 to $10,000,000

☐ > $10,000,000

☐ **(k)** an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,

"**spouse**" means, an individual who, (a) is married to another individual and is not living separate and apart *within* the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph

(a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta),

if (k) is selected, please check the range of net income before taxes which <u>you</u> alone or in combination with your spouse have earned in each of the two most recent calendar years, alone:

☐ $0 to $100,000

☐ $100,001 to 200,000

☐ $200,001 to 300,000

☐ > $300,000

Please check the range of net income which <u>your</u> spouse has earned in each of the two most recent calendar years (only if applicable):

☐ $0 to $100,000

☐ $100,001 to 200,000

☐ $200,001 to 300,000

☐ > $300,000

☐ **(l)** an individual who, either alone or with a spouse, has net assets of at least $5,000,000,

"**spouse**" means, an individual who, (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta),

if (l) is selected, please check the range of net assets you **have**, *either alone or combined with your spouse:*

☐ $0 to $5,000,000

☐ $5,000,001 to $10,000,000

☐ > $10,000,001

☐ **(m)** a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements,

☐ **(n)** an investment fund that distributes or has distributed its securities only to

(i) a person that is or was an accredited investor at the time of the distribution,

a person that acquires or acquired securities in the circumstances referred to in sections 2.10 *[Minimum amount investment]* or 2.19 *[Additional investment in investment funds]* of National Instrument 45-106, or

a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 *[Investment fund reinvestment]* of National Instrument 45-106,

☐ **(o)** an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,

☐ **(p)** a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,

☐ **(q)** a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,

☐ **(r)** a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,

☐ **(s)** an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,

☐ **(t)** a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,

☑ **(u)** an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,

☐ **(v)** a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor, or

☐ **(w)** a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse;

☐ **(x)** in Ontario, such other persons or companies as may be prescribed by the regulation under the Securities Act (Ontario)

*** If checking this category (x), please provide a description of how this category is met:

_____

_____

All amounts are in Canadian dollars.

As used in this Schedule "B", the following terms have the following meanings:

"**bank**" means a bank named in Schedule I or II of the *Bank Act* (Canada);

"Canadian financial institution" means

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or credit union league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"**company**" means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

"**control person**" has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds

(a) a sufficient number of any of the outstanding voting securities of an issuer so as to affect materially the control of the issuer, or

(b) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

"debt security" means any bond, debenture, note or similar instrument representing indebtedness, whether secured or unsecured;

"**director**" means

(a) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

"**eligibility adviser**" means

(a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and

(b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not

(i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and

(ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous **[12]** months;

"**entity**" means a company, syndicate, partnership, trust or unincorporated organization;

"**executive officer**" means, for an issuer, an individual who is

(a) a chair, vice-chair or president,

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

(c) performing a policy-making function in respect of the issuer;

"**financial assets**" means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"**founder**" means, in respect of an issuer, a person who,

(a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and

(b) at the time of the distribution or trade is actively involved in the business of the issuer;

"**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"**investment fund**" has the same meaning as in National Instrument 81-106 Investment Fund Continuous Disclosure or in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec, and Saskatchewan has the same meaning as National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registration Obligations.

"**issuer**" means a person or company who has outstanding, issues or proposes to issue, a security;

"**person**" includes

(a) an individual,

(b) a corporation,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"**related liabilities**" means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

"**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"**spouse**" means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or

(c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

For the purpose hereof, an issuer is an **affiliate** of another issuer if

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same person.

"**voting security**" means any security other than a debt security of an issuer carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

For the purpose hereof, a person (first person) is considered to control another person (second person) if

(a) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,

(b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or

(c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

For the purpose hereof, for residents of Manitoba, "**distribution**" means a primary distribution to the public.

For the purpose hereof, for residents of Québec, "**trade**" refers to any of the following activities:

(a) the activities described in the definition of "dealer" in section 5 of the *Securities Act* (Québec), including the following activities:

(i) the sale or disposition of a security by onerous title, whether the terms of payment be on margin, installment or otherwise, but does not include a transfer or the giving in guarantee of securities in connection with a debt or the purchase of a security, except as providing in paragraph (b);

(ii) participation as a trader in any transaction in a security through the facilities of an exchange or a quotation and trade reporting system;

(iii) the receipt by a registrant of an order to buy or sell a security;

(b) a transfer or the giving in guarantee of securities of an issuer from the holdings of a control person in connection with a debt.

In NI 45-106 a person or company is an affiliate of another person or company if one is a subsidiary of the other, or if each of them is controlled by the same person or company.

In NI 45-106 and except in Part 2 Division 4 of NI 45-106, a person (first person) is considered to control another person (second person) if (a) the first person beneficially owns or, directly or indirectly, exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

In NI 45-106 a trust company or trust corporation described in paragraph (p) above of the definition of "accredited investor" (other than in respect of a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) is deemed to be purchasing as principal.

In NI 45-106 a person described in paragraph (q) above of the definition of "accredited investor" is deemed to be purchasing as principal.

The foregoing representation and warranty is true and accurate as of the date of this certificate and will be true and accurate as of the applicable Closing of the issue of Shares as set forth in the attached Share Purchase Agreement. If any such representation or warranty shall not be true and accurate at such Closing, the undersigned shall give immediate written notice of such fact to the Corporation.

Dated: July 3, 2018 x Signed: _____

Anson Advisors Inc.
Print Name of Purchaser

Moez Kassam - Director
If Purchaser is a Corporation, Print Name and Title of Authorized Signing Officer

APPENDIX I TO SCHEDULE "B"

Form 45-106F9 – Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Convertible Debentures	Issuer: CannaRoyalty Corp.
Purchased from: Issuer	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of $_____ . [*Instruction: Insert the total dollar amount of the investment.]*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
• Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be	

more than $300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature:	Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON

5. Salesperson information

First and last name of salesperson (please print):

Telephone:	Email:

Name of firm (if registered):

SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

6. For more information about this investment

CannaRoyalty Corp.
240 Richmond St W
Toronto, Ontario, Canada
M5V 1V6

Contact: Afzal Hasan, President and General Counsel
Telephone: 416.786.5068
Email: ahasan@cannaroyalty.com
Website: cannaroyalty.com

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

SCHEDULE "C"

FOREIGN PURCHASER'S CERTIFICATE
(Residents of Jurisdictions other than Canada and the United States)

Capitalized terms not specifically defined in this Schedule "C" have the meanings ascribed to them in the Subscription Agreement to which this Schedule "C" is attached.

In connection with the purchase by the undersigned Purchaser of the Purchased Debentures, the Purchaser, on its own behalf and on behalf of each of the beneficial purchasers for whom the Purchaser is acting, hereby represents, warrants, covenants and certifies to the Corporation and the Agents(and acknowledges that the Corporation, the Agents and their respective counsel are relying thereon) that:

(a) The Purchaser is, and each beneficial purchaser for whom the Purchaser may be acting as trustee or agent is, a resident of a country (an "**International Jurisdiction**") other than Canada or the United States and the decision to subscribe for the Debentures was taken in such International Jurisdiction.

(b) The delivery of the Subscription Agreement, the acceptance of it by the Corporation and the issuance of the Debentures to the Purchaser, or any beneficial purchasers for whom the Purchaser is acting, complies with all laws applicable to the Purchaser and such beneficial purchaser, including the laws of such purchaser's jurisdiction of residence, and all other applicable laws, and will not cause the Corporation to become subject to, or require it to comply with, any disclosure, prospectus, filing or reporting requirements under any applicable laws of the International Jurisdiction.

(c) The Purchaser, and each such beneficial purchaser, if any, is knowledgeable of, or has been independently advised as to, the application or jurisdiction of the securities laws of the International Jurisdiction that would apply to the subscription (other than the securities laws of Canada and the United States).

(d) The Purchaser, and each such beneficial purchaser, if any, is purchasing the Purchased Debentures pursuant to exemptions from the prospectus and registration requirements (or their equivalent) under the applicable securities laws of that International Jurisdiction or, if such is not applicable, each is permitted to purchase the Purchased Debentures under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption.

(e) The applicable securities laws do not require the Corporation to register any of the Purchased Debentures, file a prospectus or similar document, or make any filings or disclosures or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction.

(f) The Purchaser will, if requested by the Corporation, deliver to the Corporation a certificate or opinion of local counsel from the International Jurisdiction that will confirm the matters referred to in subparagraphs (b), (d) and (e) above to the satisfaction of the Corporation, acting reasonably.

(g) The Purchaser, and each such beneficial purchaser, if any, will not sell, transfer or dispose of the Purchased Debentures except in accordance with all applicable laws, including applicable securities laws of Canada and the United States, and the Purchaser, and each such beneficial purchaser, if any, acknowledges that the Corporation shall have no obligation to register any such purported sale, transfer or disposition which violates applicable Canadian or United States or other securities laws.

(h) Upon execution of this Schedule "C" by the Purchaser, this Schedule "C" shall be incorporated into and form an integral part of the Subscription Agreement.

The foregoing representations, warranties, covenants and certifications contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations, warranties, covenants and certifications shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Corporation and the Agents prior to the Closing Time.

Dated: _____ Signed: _____

_____ _____

Witness (If Purchaser is an Individual) Print name of Purchaser

_____ _____

Print Name of Witness If Purchaser is not an Individual, print name and title of Authorized Signing Officer

From:	Moral, Martin
To:	Scott Arbuckle; Ameez Allidina
Cc:	Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject:	RE: MMEN Convertible
Date:	Wednesday, September 5, 2018 11:56:53 AM

CWEB – let us look, it's not on LSERM but we might be able to provide 50%. The new list just came out last night (effective September 25th) and it's still not on the list.

Cannaroyalty bonds – please send docs and we will review

From: Scott Arbuckle [mailto:sarbuckle@ansonfunds.com]
Sent: Wednesday, September 05, 2018 11:41 AM
To: Moral, Martin; Ameez Allidina
Cc: Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject: RE: MMEN Convertible

HI Marty,

I don't margin on CWEB (charlotte"s web) is that to new?

Can you provide margin on Cannaroyalty bonds. Ameez will send docs on that to you shortly

Thanks
Scott

From: Moral, Martin <Martin.Moral@tdsecurities.com>
Sent: Wednesday, September 5, 2018 10:35 AM
To: Ameez Allidina <aallidina@ansonfunds.com>
Cc: Anson Operations <operations@ansonfunds.com>; Moez Kassam <mkassam@ansonfunds.com>; Amin Nathoo <anathoo@ansonfunds.com>; Jay Lubinsky <jay@ansonfunds.com>; Banquier, Steve <Steve.Banquier@tdsecurities.com>; Healy, Sarah <Sarah.Healy@tdsecurities.com>
Subject: RE: MMEN Convertible

The main cause of the margin calls are the options for TLRY. The attached .xlsx has the calculation if you sell more and want to calculate how much you'll need to put up

The margin that you need to put up is the market value for the option + 30% of the market value for the underlying security.

Thanks,
Marty

From: Moral, Martin
Sent: Wednesday, September 05, 2018 11:29 AM
To: Ameez Allidina
Cc: Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject: RE: MMEN Convertible

The problem is these are Promissory Notes and are not considered certificates. We aren't able to provide offset nor can we even hold them in our vault.

In the meantime, I'm reviewing the account and trying to get a bump on the Canopy CV's.

Marty

From: Ameez Allidina [mailto:aallidina@ansonfunds.com]
Sent: Wednesday, September 05, 2018 11:18 AM
To: Moral, Martin
Cc: Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky
Subject: MMEN Convertible

Hi Martin,

Please see attached. We hold MMEN CN converts, is there room for margin offset with these ?

Please review and revert back.

Thank you,

Ameez Allidina | Anson Funds
155 University Avenue, Suite 207
Toronto, ON | M5H 3B7 (416) 447-8874
aallidina@ansonfunds.com

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From:	Moral, Martin
To:	Scott Arbuckle; Ameez Allidina
Cc:	Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject:	RE: MMEN Convertible
Date:	Wednesday, September 5, 2018 12:12:19 PM

Sorry. Took a look at CWEB. We can't provide offset. It's not a recognized exchange.

http://www.iiroc.ca/Rulebook/SuppSched/SS-RegDocs-CRA-ExchangesRegEntitiesAttach_en.pdf

We are still looking at Cannaroyalty bond.

From: Moral, Martin
Sent: Wednesday, September 05, 2018 11:57 AM
To: Scott Arbuckle; Ameez Allidina
Cc: Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject: RE: MMEN Convertible

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Sent: Wednesday, September 05, 2018 11:41 AM
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To: Ameez Allidina <aallidina@ansonfunds.com>
Cc: Anson Operations <operations@ansonfunds.com>; Moez Kassam <mkassam@ansonfunds.com>; Amin Nathoo <anathoo@ansonfunds.com>; Jay Lubinsky <jay@ansonfunds.com>; Banquier, Steve <Steve.Banquier@tdsecurities.com>; Healy, Sarah <Sarah.Healy@tdsecurities.com>

Subject: RE: MMEN Convertible

The main cause of the margin calls are the options for TLRY. The attached .xlsx has the calculation if you sell more and want to calculate how much you'll need to put up

The margin that you need to put up is the market value for the option + 30% of the market value for the underlying security.

Thanks,
Marty

From: Moral, Martin
Sent: Wednesday, September 05, 2018 11:29 AM
To: Ameez Allidina
Cc: Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky; Banquier, Steve; Healy, Sarah
Subject: RE: MMEN Convertible

The problem is these are Promissory Notes and are not considered certificates. We aren't able to provide offset nor can we even hold them in our vault.

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Marty

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To: Moral, Martin
Cc: Anson Operations; Moez Kassam; Amin Nathoo; Jay Lubinsky
Subject: MMEN Convertible

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Please review and revert back.

Thank you,

Ameez Allidina | Anson Funds
155 University Avenue, Suite 207
Toronto, ON | M5H 3B7 (416) 447-8874
aallidina@ansonfunds.com

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From:	Moez Kassam
To:	Steve Banquier (Steve.Banquier@tdsecurities.com); Moral, Martin
Cc:	Tony Moore; Scott Arbuckle; Amin Nathoo
Subject:	margin
Date:	Wednesday, September 5, 2018 1:40:05 PM

Gents,
Tilray continues to rock and as good as it is, we are starting to face considerable margin pressure. We are essentially running a hedged book , and we've obviously been losing on the hedges as space goes higher

We have 115mil now in the long and getting zero credit on it.

I know we waiting on credit approval but stock is going crazy and taking the space with it
What can we do in the short term?
Steve I tried calling looks like you're away

Next steps?

Thx

Moez Kassam | Anson Funds
Phone: (416) 447-8874 | Mobile: (416) 500-9999
Email: mkassam@ansonfunds.com

From: Banquier, Steve
To: Moez Kassam
Cc: Moral, Martin; Tony Moore; Scott Arbuckle; Amin Nathoo
Subject: Re: margin
Date: Wednesday, September 5, 2018 2:03:11 PM

Hi Moez - I am out of the office but we are working on this. I will give you a call later today.

Thanks
Steve

Sent from my iPhone

On Sep 5, 2018, at 1:40 PM, Moez Kassam <mkassam@ansonfunds.com> wrote:

> Gents,
> Tilray continues to rock and as good as it is, we are starting to face considerable margin pressure.
> We are essentially running a hedged book , and we've obviously been losing on the hedges as space goes higher
>
> We have 115mil now in the long and getting zero credit on it.
>
> I know we waiting on credit approval but stock is going crazy and taking the space with it
> What can we do in the short term?
> Steve I tried calling looks like you're away
>
> Next steps?
>
> Thx

Moez Kassam | Anson Funds
Phone: (416) 447-8874 | Mobile: (416) 500-9999
Email: mkassam@ansonfunds.com

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From:	Scott Arbuckle
To:	Moral, Martin
Cc:	Healy, Sarah; Banquier, Steve; Moez Kassam; Amin Nathoo; Tony Moore
Subject:	RE: please provide the margin amount as of this morning, thanks
Date:	Thursday, September 6, 2018 9:06:24 AM
Attachments:	Anson Funds 8-28-18.pdf

Here is the statement from the transfer agent showing the position, attached are the three accounts

Regards,
Scott

From: Moral, Martin <Martin.Moral@tdsecurities.com>
Sent: Thursday, September 6, 2018 7:53 AM
To: Scott Arbuckle <sarbuckle@ansonfunds.com>
Cc: Healy, Sarah <Sarah.Healy@tdsecurities.com>; Banquier, Steve <Steve.Banquier@tdsecurities.com>; Moez Kassam <mkassam@ansonfunds.com>
Subject: RE: please provide the margin amount as of this morning, thanks

Steve spoke to Moez. We are speaking internally.

Begin forwarded message:

> **From:** "Healy, Sarah" <Sarah.Healy@tdsecurities.com>
> **Date:** September 6, 2018 at 8:50:22 AM EDT
> **To:** Scott Arbuckle <sarbuckle@ansonfunds.com>
> **Subject: Re: please provide the margin amount as of this morning, thanks**
>
> Looking at a margin call of $41.4mm CAD
>
> On Sep 6, 2018, at 8:30 AM, Scott Arbuckle <sarbuckle@ansonfunds.com> wrote:
>
> **Scott Arbuckle, CFA**
> Controller
> Anson Funds
> 5950 Berkshire Lane | Suite 210 | Dallas, TX 75225
> 214.866.0201 office | 469.343.7380 mobile | 214.276.1395 fax
> sarbuckle@ansonfunds.com

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Toronto Superior Court of Justice / Cour supérieure de justice

Transfer Agent:
Philadelphia Stock Transfer, Inc.
2320 HAVERFORD ROAD
SUITE 230
ARDMORE, PA 19003

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(866)223-0448

ANSON INVESTMENTS MASTER FUND LP
155 UNIVERSITY AVENUE
SUITE 207
TORONTO ON M5H 3B7
CANADA

TAX ID NUMBER: **-***8788
ACCOUNT NUMBER: 1082- 3
STATEMENT DATE: 08/28/2018
Issuer Symbol: TLRY
Issuer CUSIP: 88688T100

TILRAY INC CLASS TWO COMMON STOCK

Transaction Date	Transaction Description	Shares Deposited or Withdrawn	Running Balance
	BEGINNING BALANCE		0
07/23/18	EXCHANGE SECURITIES	1,239,755	1,239,755

CERTIFICATE SHARES	BOOK ENTRY SHARES	PLAN SHARES	TOTAL SHARES
0	1239755	0	1239755

THESE SHARES ARE SUBJECT TO AN AGREEMENT (THE "LOCK-UP AGREEMENT") BY THE REGISTERED HOLDER HEREOF NOT TO SELL SUCH SHARES FOR A PERIOD OF 180 DAYS FOLLOWING JULY 18, 2018, THE DATE OF THE FINAL PROSPECTUS RELATING TO THE PUBLIC OFFERING OF CLASS 2 COMMON STOCK OF THE COMPANY PURSUANT TO A REGISTRATION STATEMENT FILED BY THE COMPANY WITH THE SECURITIES AND EXCHANGE COMMISSION. SUCH LOCK-UP AGREEMENT EXPIRES BY ITS TERMS ON JANUARY 14, 2019.

THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SHARES UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH

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155 UNIVERSITY AVE
SUITE 207
TORONTO ON M5H 3B7
CANADA

TAX ID NUMBER:
ACCOUNT NUMBER: 1082- 4
STATEMENT DATE: 08/28/2018
Issuer Symbol: TLRY
Issuer CUSIP: 88688T100

TILRAY INC CLASS TWO COMMON STOCK

Transaction Date	Transaction Description	Shares Deposited or Withdrawn	Running Balance
	BEGINNING BALANCE		0
07/23/18	EXCHANGE SECURITIES	169,057	169,057

CERTIFICATE SHARES	BOOK ENTRY SHARES	PLAN SHARES	TOTAL SHARES
0	169057	0	169057

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ARDMORE, PA 19003

A CARTA COMPANY

AC ANSON INVESTMENTS LTD.
155 UNIVERSITY AVE
SUITE 207
TORONTO ON M5H 3B7
CANADA

TAX ID NUMBER:
ACCOUNT NUMBER: 1082- 2
STATEMENT DATE: 08/28/2018
Issuer Symbol: TLRY
Issuer CUSIP: 88688T100

TILRAY INC CLASS TWO COMMON STOCK

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From: Moez Kassam
To: Steve Banquier (Steve.Banquier@tdsecurities.com)
Subject: tlry
Date: Thursday, September 6, 2018 9:08:42 AM
Attachments: Anson Funds 8-28-18.pdf

Does this suffice , or you want the filings etc etc

Moez Kassam | Anson Funds
Phone: (416) 447-8874 | Mobile: (416) 500-9999

From: Scott Arbuckle
Sent: September 6, 2018 9:06 AM
To: Moral, Martin <Martin.Moral@tdsecurities.com>
Cc: Healy, Sarah <Sarah.Healy@tdsecurities.com>; Banquier, Steve <Steve.Banquier@tdsecurities.com>; Moez Kassam <mkassam@ansonfunds.com>; Amin Nathoo <anathoo@ansonfunds.com>; Tony Moore <tmoore@ansonfunds.com>
Subject: RE: please provide the margin amount as of this morning, thanks

Here is the statement from the transfer agent showing the position, attached are the three accounts

Regards,
Scott

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Scott Arbuckle, CFA
Controller
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5950 Berkshire Lane | Suite 210 | Dallas, TX 75225
214.866.0201 office | 469.343.7380 mobile | 214.276.1395 fax
sarbuckle@ansonfunds.com

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TAX ID NUMBER: **-***8788
ACCOUNT NUMBER: 1082- 3
STATEMENT DATE: 08/28/2018
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Issuer CUSIP: 88688T100

TILRAY INC CLASS TWO COMMON STOCK

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155 UNIVERSITY AVE
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CANADA

TAX ID NUMBER:
ACCOUNT NUMBER: 1082- 2
STATEMENT DATE: 08/28/2018
Issuer Symbol: TLRY
Issuer CUSIP: 88688T100

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From:	Daniel Kim
To:	Moral, Martin; Healy, Sarah; Steve.Banquier@tdsecurities.com
Cc:	Anson Operations
Subject:	FW: *Urgent Request* Tilray Positions for Anson
Date:	Thursday, September 6, 2018 9:25:54 AM
Attachments:	image002.png Anson Funds 9-6-18.pdf

Hi Martin,

We have some Tilray common's that are currently held as restricted book entries at Philadelphia Stock Transfer (TA).

Are we able to use these for margin offset?

Regards,
Dan

Daniel Kim
Anson Funds
155 University Avenue | Suite 207 | Toronto, Ontario | M5H 3B7
(O) 416.572.1901
dkim@ansonfunds.com

From: bwinterle@philadelphiastocktransfer.com <bwinterle@philadelphiastocktransfer.com>
Sent: Thursday, September 06, 2018 9:18 AM
To: Daniel Kim <dkim@ansonfunds.com>
Cc: Anson Operations <operations@ansonfunds.com>
Subject: RE: *Urgent Request* Tilray Positions for Anson

Hello Daniel,

Current statements attached. The Company does not intend to issue physical certificates, so if TD was to custody them, they need to be transferred in restricted book form as they are subject to restrictions on transfer. In order to transfer from the Anson funds to TD, we would need a medallion guaranteed stock power for each fund and instructions for the transfer. As they are restricted, we would also need approval for the transfer (w/ the legend to remain) from the issuer or its counsel. You may want to check w/ TD to see if they are able to hold restricted book shares, as we find brokers are confused w/ the concept of restricted book entry vs. DRS/regular book entry.

Thank you,
Bob Winterle

Philadelphia Stock Transfer, Inc.
2320 Haverford Rd.
Suite 230
Ardmore, PA 19003

(P) 484-416-3124
(F) 484-416-3597

PST Logo

Electronically filed / Déposé par voie électronique : 01-Nov-2024
Toronto Superior Court of Justice / Cour supérieure de justice

Call Shareholder Services
if you have any questions
(866)223-0448

Transfer Agent:
Philadelphia Stock Transfer, Inc.
2320 HAVERFORD ROAD
SUITE 230
ARDMORE, PA 19003

A CARTA COMPANY

ANSON INVESTMENTS MASTER FUND LP
155 UNIVERSITY AVENUE
SUITE 207
TORONTO ON M5H 3B7
CANADA

TAX ID NUMBER: **-***8788
ACCOUNT NUMBER: 1082- 3
STATEMENT DATE: 09/06/2018
Issuer Symbol: TLRY
Issuer CUSIP: 88688T100

TILRAY INC CLASS TWO COMMON STOCK

Transaction Date	Transaction Description	Shares Deposited or Withdrawn	Running Balance
	BEGINNING BALANCE		0
07/23/18	EXCHANGE SECURITIES	1,239,755	1,239,755

CERTIFICATE SHARES	BOOK ENTRY SHARES	PLAN SHARES	TOTAL SHARES
0	1239755	0	1239755

THESE SHARES ARE SUBJECT TO AN AGREEMENT (THE "LOCK-UP AGREEMENT") BY THE REGISTERED HOLDER HEREOF NOT TO SELL SUCH SHARES FOR A PERIOD OF 180 DAYS FOLLOWING JULY 18, 2018, THE DATE OF THE FINAL PROSPECTUS RELATING TO THE PUBLIC OFFERING OF CLASS 2 COMMON STOCK OF THE COMPANY PURSUANT TO A REGISTRATION STATEMENT FILED BY THE COMPANY WITH THE SECURITIES AND EXCHANGE COMMISSION. SUCH LOCK-UP AGREEMENT EXPIRES BY ITS TERMS ON JANUARY 14, 2019.

THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SHARES UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH

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TORONTO ON M5H 3B7
CANADA

TAX ID NUMBER:
ACCOUNT NUMBER: 1082- 4
STATEMENT DATE: 09/06/2018
Issuer Symbol: TLRY
Issuer CUSIP: 88688T100

TILRAY INC CLASS TWO COMMON STOCK

Transaction Date	Transaction Description	Shares Deposited or Withdrawn	Running Balance
	BEGINNING BALANCE		0
07/23/18	EXCHANGE SECURITIES	169,057	169,057

CERTIFICATE SHARES	BOOK ENTRY SHARES	PLAN SHARES	TOTAL SHARES
0	169057	0	169057

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AC ANSON INVESTMENTS LTD.
155 UNIVERSITY AVE
SUITE 207
TORONTO ON M5H 3B7
CANADA

TAX ID NUMBER:
ACCOUNT NUMBER: 1082- 2
STATEMENT DATE: 09/06/2018
Issuer Symbol: TLRY
Issuer CUSIP: 88688T100

TILRAY INC CLASS TWO COMMON STOCK

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From:	Daniel Kim
To:	Moral, Martin; Healy, Sarah; Steve.Banquier@tdsecurities.com
Cc:	Anson Operations
Bcc:	sarbuckle@ansonfunds.com; klopez@ansonfunds.com; tmoore@ansonfunds.com; aallidina@ansonfunds.com; dkim@ansonfunds.com
Subject:	FW: *Urgent Request* Tilray Positions for Anson
Date:	Thursday, September 6, 2018 9:25:54 AM
Attachments:	image002.png Anson Funds 9-6-18.pdf

Hi Martin,

We have some Tilray common's that are currently held as restricted book entries at Philadelphia Stock Transfer (TA).

Are we able to use these for margin offset?

Regards,
Dan

Daniel Kim
Anson Funds
155 University Avenue | Suite 207 | Toronto, Ontario | M5H 3B7
(O) 416.572.1901
dkim@ansonfunds.com

From: bwinterle@philadelphiastocktransfer.com <bwinterle@philadelphiastocktransfer.com>
Sent: Thursday, September 06, 2018 9:18 AM
To: Daniel Kim <dkim@ansonfunds.com>
Cc: Anson Operations <operations@ansonfunds.com>
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From:	Tony Moore
To:	Moral, Martin; Banquier, Steve (Steve.Banquier@tdsecurities.com)
Cc:	Moez Kassam; Anson Operations
Bcc:	sarbuckle@ansonfunds.com; klopez@ansonfunds.com; tmoore@ansonfunds.com; aallidina@ansonfunds.com; dkim@ansonfunds.com
Subject:	Initial Tilray Investment Documents
Date:	Thursday, September 6, 2018 11:37:31 AM
Attachments:	Privateer+-Tilray+-+Series+A+Preferred+Stock+Purchase+Agreement+AOMF.PDF Privateer+-+Tilray+-+Investor+Rights+Agreement+(Series+A)+AC.PDF Privateer+-+Tilray+-+Investor+Rights+Agreement+(Series+A)+AIMF.PDF Privateer+-+Tilray+-+Investor+Rights+Agreement+(Series+A)+AOMF.PDF Privateer+-Tilray+-+Series+A+Preferred+Stock+Purchase+Agreement+AC.PDF Privateer+-Tilray+-+Series+A+Preferred+Stock+Purchase+Agreement+AIMF+2.pdf

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Hi All,

Here is the supporting documentation for our initial Tilray purchase in early February, 2018. This should contain all relevant terms, conditions and restrictions

Thanks,

Tony Moore, CFA, CPA
COO/CFO
Anson Funds
5950 Berkshire Lane | Suite 210 | Dallas, TX 75225
214.866.0200 office | 214.276.1395 fax
tmoore@ansonfunds.com

EXECUTION VERSION

TILRAY, INC.

SERIES A PREFERRED STOCK PURCHASE AGREEMENT

THIS SERIES A PREFERRED STOCK PURCHASE AGREEMENT (the "***Agreement***") is made and entered into as of February __, 2018, by and among **TILRAY, INC.**, a Delaware corporation (the "***Company***"), and each of those persons and entities, severally and not jointly, whose names are set forth on the signature pages hereto (which persons and entities are hereinafter collectively referred to as "***Purchasers***" and each individually as a "***Purchaser***").

RECITALS

WHEREAS, the Company has authorized the sale and issuance of an aggregate of Eight Million (8,000,000) its Series A Preferred Stock (the "***Shares***");

WHEREAS, Purchasers desire to purchase the Shares on the terms and conditions set forth herein; and

WHEREAS, the Company desires to issue and sell the Shares to Purchasers on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties, and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO SELL AND PURCHASE.

1.1 Authorization of Shares. The Company has authorized (a) the sale and issuance to Purchasers of the Shares, and (b) the issuance of such shares of Class 2 Common Stock to be issued upon conversion of the Shares (the "***Conversion Shares***"). The Shares and the Conversion Shares have the rights, preferences, privileges and restrictions set forth in the Certificate of Incorporation of the Company, in the form attached hereto as **Exhibit A** (the "***Charter***").

1.2 Sale and Purchase. Subject to the terms and conditions hereof, at the Closing (as hereinafter defined) the Company hereby agrees to issue and sell to each Purchaser, and each Purchaser agrees to purchase from the Company, severally and not jointly, the number of Shares set forth on such Purchaser's signature page, at a purchase price of C$8.8727 per share.

2. CLOSING, DELIVERY AND PAYMENT.

2.1 Closing. The closing of the sale and purchase of the Shares under this Agreement (the "***Closing***") shall take place at 1:00 p.m. on the date hereof, at the offices of Cooley LLP, 1700 Seventh Avenue, Suite 1900, Seattle, WA, 98101, or at such other time or

place as the Company and Purchasers may mutually agree (such date is hereinafter referred to as the "***Closing Date***").

2.2 Delivery. At the Closing, subject to the terms and conditions hereof, the Company will deliver to each Purchaser a certificate representing the number of Shares to be purchased at the Closing by such Purchaser, against payment of the purchase price therefor by check, wire transfer made payable to the order of the Company, or any combination of the foregoing.

2.3 Subsequent Sales of Shares. At any time on or before the date that is thirty (30) days following the date of the Closing or at such later time as the Company and the holders of a majority of the Shares purchased at the Closing (pursuant to Section 2.1) may mutually agree, the Company may sell up to the balance of the authorized Shares not sold at the Closing to such persons as may be approved by the Company (the "***Additional Purchasers***"). All such sales made at any additional closings (each an "***Additional Closing***"), shall be made on the terms and conditions set forth in this Agreement, and (i) the representations and warranties of the Company set forth in Section 3 hereof (and the Schedule of Exceptions) shall speak as of the Closing and the Company shall have no obligation to update any such disclosure, and (ii) the representations and warranties of the Additional Purchasers in Section 4 hereof shall speak as of such Additional Closing. Additional Purchaser signature pages may be added to this Agreement without the consent of the Purchasers to include any Additional Purchasers upon the execution by such Additional Purchasers of a counterpart signature page hereto. Any shares of Series A Preferred Stock sold pursuant to this Section 2.3 shall be deemed to be "Shares" for all purposes under this Agreement and any Additional Purchasers thereof shall be deemed to be "Purchasers" for all purposes under this Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Except as set forth on a Schedule of Exceptions delivered by the Company to Purchasers at the Closing, the Company hereby represents and warrants to each Purchaser as of the date of this Agreement as set forth below.

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Section 3.1 of the Schedule of Exceptions lists each subsidiary of the Company and any other entity in which the Company owns (directly or indirectly) more than 20% of the outstanding capital stock of such entity. Each of the Company's subsidiaries is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation. The Company has all requisite corporate power and authority to own and operate its properties and assets, to execute and deliver this Agreement and the Investor Rights Agreement in the form attached hereto as **Exhibit B** (the "***Investor Rights Agreement***"), to issue and sell the Shares and the Conversion Shares, and to carry out the provisions of this Agreement, the Investor Rights Agreement and the Charter and to carry on its business as presently conducted. Each of the Company's subsidiaries has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as presently conducted. The Company and each of its subsidiaries is duly qualified to do business and is in good standing as a foreign entity in all jurisdictions in which the nature of its activities and of its properties (both owned and leased)

makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or such subsidiary, as applicable or the Company or such subsidiary's business, as applicable.

3.2 Capitalization; Voting Rights.

(a) The authorized capital stock of the Company, immediately prior to the Closing, consists of (i) 100,000,000 shares of Class 1 Common Stock, par value C$0.0001 per share, 75,000,000 shares of which are issued and outstanding, (ii) 100,000,000 shares of Class 2 Common Stock, par value C$0.0001 per share, none of which are issued and outstanding, (iii) 15,000,000 shares of Class 3 Common Stock, par value C$0.0001 per share, none of which are issued and outstanding, and (iv) 8,000,000 shares of Preferred Stock, par value C$0.0001 per share, all of which are designated Series A Preferred Stock, none of which are issued and outstanding.

(b) Under the Company's 2018 Equity Incentive Plan (the "***Plan***"), (i) no shares have been issued pursuant to restricted share purchase agreements and/or the exercise of outstanding options, (ii) no options to purchase shares of Class 3 Common Stock have been granted and are currently outstanding, and (iii) 6,711,621 shares of Class 3 Common Stock remain available for future issuance to officers, directors, employees and consultants of the Company. The Company has not made any representations regarding equity incentives to any officer, employee, director or consultant.

(c) Other than (i) the shares reserved for issuance under the Plan and (ii) except as may be granted pursuant to this Agreement and the Investor Rights Agreement, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), proxy or stockholder agreements, or agreements of any kind for the purchase or acquisition from the Company of any of its securities.

(d) Either the Company or a wholly owned subsidiary of the Company holds 100% of the outstanding interests in each subsidiary. There are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), proxy or stockholder agreements, or agreements of any kind for the purchase or acquisition from the Company or any subsidiary of the Company of any of such subsidiary's securities.

(e) All issued and outstanding shares of the Company's Common Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable, (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities; and (iii) are subject to a right of first refusal in favor of the Company upon transfer.

(f) The rights, preferences, privileges and restrictions of the Shares are as stated in the Charter. The Conversion Shares have been duly and validly reserved for issuance. When issued in compliance with the provisions of this Agreement and the Charter, the Shares and the Conversion Shares will be validly issued, fully paid and nonassessable, and will be free of any liens or encumbrances other than (i) liens and encumbrances created by or imposed upon the Purchasers and (ii) any right of first refusal set forth in the Company's Bylaws; provided, however, that the Shares and the Conversion Shares may be subject to

restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time a transfer is proposed. The sale of the Shares and the subsequent conversion of the Shares into Conversion Shares are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

(g) All outstanding shares of Common Stock and Preferred Stock, and all shares of Common Stock and Preferred Stock issuable upon the exercise or conversion of outstanding options, warrants or other exercisable or convertible securities are subject to a market standoff or "lockup" agreement of not less than 180 days following the Company's initial public offering.

(h) No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "Disqualification Event") is applicable to the Company or, to the Company's knowledge, any Company Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable.

3.3 Authorization; Binding Obligations. All corporate action on the part of the Company, each subsidiary of the Company, the Company's officers, directors and stockholders, and the officers, directors and stockholders of each subsidiary of the Company necessary for the authorization of this Agreement and the Investor Rights Agreement, the performance of all obligations of the Company hereunder and thereunder at the Closing and the authorization, sale, issuance and delivery of the Shares pursuant hereto and the Conversion Shares pursuant to the Charter has been taken. The Agreement and the Investor Rights Agreement, when executed and delivered, will be valid and binding obligations of the Company enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, (b) general principles of equity that restrict the availability of equitable remedies, and (c) to the extent that the enforceability of the indemnification provisions in the Investor Rights Agreement may be limited by applicable laws.

3.4 Obligations to Related Parties. There are no obligations of the Company or any subsidiary of the Company to officers, directors, stockholders, or employees of the Company or any subsidiary of the Company other than (a) for payment of salary for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Company or any subsidiary of the Company and (c) for other standard employee benefits made generally available to all employees (including stock option agreements outstanding under any stock option plan approved by the Board of Directors of the Company). None of the officers, directors or, to the best of the Company's knowledge, key employees or stockholders of the Company or any subsidiary of the Company or any members of their immediate families, is indebted to the Company or any subsidiary of the Company or has any direct or indirect ownership interest in any firm or corporation with which the Company or any subsidiary of the Company is affiliated or with which the Company or any subsidiary of the Company has a business relationship, or any firm or corporation that competes with the Company or any subsidiary of the Company, other than (i) passive investments in publicly traded companies (representing less than one percent (1%) of such company) which may compete with the Company or any subsidiary of the

Company and (ii) investments by venture capital funds with which directors of the Company or any subsidiary of the Company may be affiliated and service as a board member of a company in connection therewith due to a person's affiliation with a venture capital fund or similar institutional investor in such company. No officer, director or stockholder, or any member of their immediate families, is, directly or indirectly, interested in any material contract with the Company or any subsidiary of the Company (other than such contracts as relate to any such person's ownership of capital stock or other securities of the Company or a subsidiary of the Company).

3.5 Title to Properties and Assets; Liens, Etc. The Company and each subsidiary of the Company has good and marketable title to their respective properties and assets, in each case subject to no mortgage, pledge, lien, lease, encumbrance or charge, other than (a) those resulting from taxes which have not yet become delinquent, (b) minor liens and encumbrances which do not materially detract from the value of the property subject thereto or materially impair the operations of the Company or such subsidiary of the Company, and (c) those that have otherwise arisen in the ordinary course of business, none of which (individually or in the aggregate) are material.

3.6 Compliance with Other Instruments. Neither the Company nor any subsidiary of the Company is in violation or default of any term of its charter documents, each as amended, or of any provision of any mortgage, indenture, contract, lease, agreement, instrument or contract to which it is party or by which it is bound or of any judgment, decree, order or writ other than any such violation (individually or in the aggregate) that would not have a material adverse effect on the Company or such subsidiary of the Company. The execution, delivery, and performance of and compliance with this Agreement, and the Investor Rights Agreement, and the issuance and sale of the Shares pursuant hereto and of the Conversion Shares pursuant to the Charter, will not, with or without the passage of time or giving of notice, result in any such material violation, or be in conflict with or constitute a material default under any such term or provision, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company or any subsidiary of the Company or the suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to the Company or any subsidiary of the Company, their respective businesses or operations or any of their respective assets or properties. To its knowledge, the Company and each subsidiary of the Company have avoided every condition, and have not performed any act, the occurrence of which would result in the Company's or any subsidiary of the Company's loss of any material right granted under any license, distribution agreement or other agreement required to be disclosed on the Schedule of Exceptions.

3.7 Litigation. There is no action, suit, proceeding or investigation pending or, to the Company's knowledge, currently threatened in writing against the Company or any subsidiary of the Company that would reasonably be expected to result, either individually or in the aggregate, in any material adverse change in the assets, condition or affairs of the Company or any subsidiary of the Company, financially or otherwise, or any change in the current equity ownership of the Company or any subsidiary of the Company or that questions the validity of this Agreement or the Investor Rights Agreement or the right of the Company to enter into any of such agreements, or to consummate the transactions contemplated hereby or thereby. The foregoing includes, without limitation, actions pending or, to the Company's knowledge,

threatened in writing involving the prior employment of any of the Company's or any subsidiary of the Company's employees, such employees' use in connection with the Company's or subsidiary of the Company's business of any information or techniques allegedly proprietary to any of their former employers, or such employees' obligations under any agreements with prior employers. Neither the Company nor any subsidiary of the Company is a party or, to the Company's knowledge, subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company or any subsidiary of the Company currently pending or which the Company or any subsidiary of the Company intends to initiate.

3.8 Tax Returns and Payments. The Company is and always has been a subchapter C corporation. The Company and each subsidiary of the Company has filed all material tax returns (federal, state and local) required to be filed by them. All taxes shown to be due and payable on such returns, any assessments imposed, and to the Company's knowledge all other taxes due and payable by the Company or such subsidiary of the Company on or before the Closing, have been paid or will be paid prior to the time they become delinquent. Neither the Company nor any subsidiary of the Company has been advised (a) that any of its returns, federal, state or other, have been or are being audited as of the date hereof, or (b) of any deficiency in assessment or proposed judgment to its federal, state or other taxes. The Company has no knowledge of any liability of any tax to be imposed upon its or any subsidiary of the Company's properties or assets as of the date of this Agreement that is not adequately provided for.

3.9 Obligations of Management. Except as described in Section 3.9 of the Schedule of Exceptions, each officer and key employee of the Company and each subsidiary of the Company is currently devoting substantially all of his or her business time to the conduct of the business of the Company or such subsidiary of the Company. The Company is not aware that any officer or key employee of the Company or any subsidiary of the Company is planning to work less than full time at the Company in the future. No officer or key employee of the Company or any subsidiary of the Company is currently working or, to the Company's knowledge, plans to work for a competitive enterprise, whether or not such officer or key employee is or will be compensated by such enterprise.

3.10 Registration Rights and Voting Rights. Except as required pursuant to the Investor Rights Agreement, the Company is presently not under any obligation, and has not granted any rights, to register under the Securities Act of 1933, as amended (the "***Securities Act***"), any of the Company's presently outstanding securities or any of its securities that may hereafter be issued. To the Company's knowledge, except as contemplated in the Investor Rights Agreement, no stockholder of the Company has entered into any agreement with respect to the voting of equity securities of the Company.

3.11 Compliance with Laws; Permits. To the Company's knowledge, neither the Company nor any subsidiary of the Company is in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties, which violation would materially and adversely affect the business, assets, liabilities, financial condition or operations of the Company or any subsidiary of the Company. No domestic governmental orders, permissions, consents, approvals or authorizations are required to be

obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of this Agreement or the issuance of the Shares or the Conversion Shares, except such as have been duly and validly obtained or filed, or with respect to any filings that must be made after the Closing, as will be filed in a timely manner. The Company and each subsidiary of the Company have all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by the Company and such subsidiary of the Company, the lack of which could materially and adversely affect the business, assets, properties or financial condition of the Company or such subsidiary of the Company, and the Company believes the Company and each subsidiary of the Company can obtain, without undue burden or expense, any similar authority for the conduct of the Company's business and such subsidiary of the Company's business as planned to be conducted.

3.12 Offering Valid. Assuming the accuracy of the representations and warranties of Purchasers contained in Section 4.2 hereof, the offer, sale and issuance of the Shares and the Conversion Shares will be exempt from the registration requirements of the Securities Act, and will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws. Neither the Company nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the Shares to any person or persons so as to bring the sale of such Shares by the Company within the registration provisions of the Securities Act or any state securities laws.

3.13 Full Disclosure. The Company has provided Purchasers with all information requested by the Purchasers in connection with their decision to purchase the Shares. To the Company's knowledge, neither this Agreement, the exhibits hereto, the Investor Rights Agreement nor any other document delivered by the Company to Purchasers in connection herewith or therewith at the Closing or with the transactions contemplated hereby or thereby, contain any untrue statement of a material fact nor, to the Company's knowledge, omit to state a material fact necessary in order to make the statements contained herein or therein not misleading.

3.14 Real Property Holding Corporation. The Company is not a real property holding corporation within the meaning of Code Section 897(c)(2) and any regulations promulgated thereunder.

3.15 Executive Officers. To the knowledge of the Company, no executive officer or person nominated to become an executive officer of the Company or any subsidiary of the Company (i) has been convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding minor traffic violations) or (ii) is or has been subject to any judgment or order of, the subject of any pending civil or administrative action by the Securities and Exchange Commission or any self-regulatory organization.

3.16 Foreign Corrupt Practices Act. Neither the Company nor, to the Company's knowledge, any of the Company's directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "***FCPA***")), foreign political party

or official thereof or candidate for foreign political office in violation of the FCPA for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Company or any of its affiliates in obtaining or retaining business for or with, or directing business to, any person.

3.17 Brokers. The Company is not bound by or subject to any agreement with any person which will result in the Company being obligated to pay any finder's fee or commission in connection with this transaction, other than the fees payable by the Company to Cowen and Company, LLC. The Company is not bound by or subject to any agreement with any person which will result in any Purchaser being obligated to pay any finder's fees or commission in connection with this transaction.

4. REPRESENTATIONS AND WARRANTIES OF PURCHASERS.

Each Purchaser hereby represents and warrants to the Company, severally and not jointly, as follows (provided that such representations and warranties do not lessen or obviate the representations and warranties of the Company set forth in this Agreement):

4.1 Requisite Power and Authority. Purchaser has all necessary power and authority to execute and deliver this Agreement and the Investor Rights Agreement and to carry out their provisions. All action on Purchaser's part required for the lawful execution and delivery of this Agreement and the Investor Rights Agreement has been taken. Upon their execution and delivery, this Agreement and the Investor Rights Agreement will be valid and binding obligations of Purchaser, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, (b) as limited by general principles of equity that restrict the availability of equitable remedies, and (c) to the extent that the enforceability of the indemnification provisions of the Investor Rights Agreement may be limited by applicable laws.

4.2 Investment Representations. Purchaser understands that neither the Shares nor the Conversion Shares have been registered under the Securities Act. Purchaser also understands that the Shares are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Purchaser's representations contained in the Agreement. Purchaser hereby represents and warrants as follows:

(a) Purchaser Bears Economic Risk. Purchaser has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so that it is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests. Purchaser must bear the economic risk of this investment indefinitely unless the Shares (or the Conversion Shares) are registered pursuant to the Securities Act, or an exemption from registration is available. Purchaser understands that the Company has no present intention of registering the Shares, the Conversion Shares or any shares of its Common Stock. Purchaser also understands that there is no assurance that any exemption from registration under the Securities Act will be

available and that, even if available, such exemption may not allow Purchaser to transfer all or any portion of the Shares or the Conversion Shares under the circumstances, in the amounts or at the times Purchaser might propose.

(b) Acquisition for Own Account. Purchaser is acquiring the Shares and the Conversion Shares for Purchaser's own account for investment only, and not with a view towards their distribution.

(c) Purchaser Can Protect Its Interest. Purchaser represents that by reason of its, or of its management's, business or financial experience, Purchaser has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement, and the Investor Rights Agreement. Further, Purchaser is aware of no publication of any advertisement in connection with the transactions contemplated in the Agreement.

(d) Accredited Investor. Purchaser represents that it is an accredited investor within the meaning of Regulation D under the Securities Act.

(e) Company Information. Purchaser has had an opportunity to discuss the Company's business, management and financial affairs with directors, officers and management of the Company and has had the opportunity to review the Company's operations and facilities. Purchaser has also had the opportunity to ask questions of and receive answers from, the Company and its management regarding the terms and conditions of this investment.

(f) Rule 144. Purchaser acknowledges and agrees that the Shares, and, if issued, the Conversion Shares are "restricted securities" as defined in Rule 144 promulgated under the Securities Act as in effect from time to time and must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144 and the number of shares being sold during any three-month period not exceeding specified limitations.

(g) Residence. If Purchaser is an individual, then Purchaser resides in the state or province identified in the address of Purchaser set forth on each Purchaser's signature page; if Purchaser is a partnership, corporation, limited liability company or other entity, then the office or offices of Purchaser in which its investment decision was made is located at the address or addresses of Purchaser set forth on such Purchaser's signature page.

(h) Foreign Investors. If Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Shares or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any government or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that

may be relevant to the purchase, holding, redemption, sale or transfer of the Shares. The Company's offer and sale and Purchaser's subscription and payment for and continued beneficial ownership of the Shares will not violate any applicable securities or other laws of Purchaser's jurisdiction.

4.3 Transfer Restrictions. Each Purchaser acknowledges and agrees that the Shares and, if issued, the Conversion Shares are subject to restrictions on transfer as set forth in the Investor Rights Agreement.

5. CONDITIONS TO CLOSING.

5.1 Conditions to Purchasers' Obligations at the Closing. Purchasers' obligations to purchase the Shares at the Closing are subject to the satisfaction, at or prior to the Closing Date, of the following conditions:

(a) Representations and Warranties True; Performance of Obligations. The representations and warranties made by the Company in Section 3 hereof shall be true and correct as of the Closing Date with the same force and effect as if they had been made as of the Closing Date, and the Company shall have performed all obligations and conditions herein required to be performed or observed by it on or prior to the Closing.

(b) Legal Investment. On the Closing Date, the sale and issuance of the Shares and the proposed issuance of the Conversion Shares shall be legally permitted by all laws and regulations to which Purchasers and the Company are subject.

(c) Consents, Permits, and Waivers. The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Agreement and the Investor Rights Agreement except for such as may be properly obtained subsequent to the Closing.

(d) Corporate Documents. The Company shall have delivered to Purchasers copies of all corporate documents of the Company as Purchasers shall reasonably request.

(e) Reservation of Conversion Shares. The Conversion Shares issuable upon conversion of the Shares shall have been duly authorized and reserved for issuance upon such conversion.

(f) Investor Rights Agreement. The Investor Rights Agreement substantially in the form attached hereto as **Exhibit B** shall have been executed and delivered by the parties thereto.

(g) Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing hereby and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to Purchasers, and Purchasers shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

5.2 Conditions to Obligations of the Company. The Company's obligation to issue and sell the Shares at each Closing is subject to the satisfaction, on or prior to such Closing, of the following conditions:

(a) Representations and Warranties True. The representations and warranties in Section 4 made by those Purchasers acquiring Shares hereof shall be true and correct at the date of the Closing, with the same force and effect as if they had been made on and as of said date.

(b) Performance of Obligations. Such Purchasers shall have performed and complied with all agreements and conditions herein required to be performed or complied with by such Purchasers on or before the Closing.

(c) Investor Rights Agreement. The Investor Rights Agreement substantially in the form attached hereto as **Exhibit B** shall have been executed and delivered by Purchasers.

(d) Consents, Permits, and Waivers. The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Agreement and the Investor Rights Agreement (except for such as may be properly obtained subsequent to the Closing).

6. MISCELLANEOUS.

6.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and performed entirely within Delaware, without giving effect to conflict of law principles thereof. The parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby submit to the jurisdiction and venue of, any state or federal court located in the County of King, Washington, United States.

6.2 Survival. The representations, warranties, covenants and agreements made herein shall survive the closing of the transactions contemplated hereby. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the Company hereunder solely as of the date of such certificate or instrument. The representations, warranties, covenants and obligations of the Company, and the rights and remedies that may be exercised by the Purchasers, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of, any of the Purchasers or any of their representatives.

6.3 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors, assigns, heirs, executors and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of the Shares from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of

the transfer of any Shares specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such Shares in its records as the absolute owner and holder of such Shares for all purposes.

6.4 Entire Agreement. This Agreement, the exhibits and schedules hereto, the Investor Rights Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable for or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein.

6.5 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.6 Amendment and Waiver. This Agreement may be amended or modified, and the obligations of the Company and the rights of the holders of the Shares and the Conversion Shares under the Agreement may be waived, only upon the written consent of the Company and holders of a majority of the Shares purchased or agreed to be purchased pursuant to this Agreement (treated as if converted and including any Conversion Shares into which the then outstanding Shares have been converted that have not been sold to the public).

6.7 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement, the Investor Rights Agreement or the Charter, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any party's part of any breach, default or noncompliance under this Agreement, the Investor Rights Agreement or under the Charter or any waiver on such party's part of any provisions or conditions of the Agreement, the Investor Rights Agreement, or the Charter must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, the Investor Rights Agreement, the Charter, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

6.8 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address as set forth on the signature page hereof and to Purchaser at the address set forth on such Purchaser's signature page hereto or at such other address or electronic mail address as the

Company or Purchaser may designate by ten (10) days advance written notice to the other parties hereto.

6.9 Expenses. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of the Agreement.

6.10 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

6.11 Titles and Subtitles. The titles of the sections and subsections of the Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

6.13 Broker's Fees. Each party hereto represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party hereto is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein. Each party hereto further agrees to indemnify each other party for any claims, losses or expenses incurred by such other party as a result of the representation in this Section 6.13 being untrue.

6.14 Exculpation Among Purchasers. Each Purchaser acknowledges that it is not relying upon any person, firm, or corporation, other than the Company and its officers and directors, in making its investment or decision to invest in the Company. Each Purchaser agrees that no Purchaser nor the respective controlling persons, officers, directors, partners, agents, or employees of any Purchaser shall be liable to any other Purchaser for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the purchase of the Shares and Conversion Shares.

6.15 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

6.16 California Corporate Securities Law. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION OR IN THE ABSENCE OF AN EXEMPTION FROM SUCH QUALIFICATION IS UNLAWFUL. PRIOR TO ACCEPTANCE OF SUCH CONSIDERATION BY THE COMPANY, THE RIGHTS OF ALL PARTIES TO THIS

AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED OR AN EXEMPTION FROM SUCH QUALIFICATION BEING AVAILABLE.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have executed the **SERIES A PREFERRED STOCK PURCHASE AGREEMENT** as of the date set forth in the first paragraph hereof.

COMPANY:

TILRAY, INC.

Signature:_____

Print Name:_____

Title:_____

Address: _____

_____

IN WITNESS WHEREOF, the parties hereto have executed the **SERIES A PREFERRED STOCK PURCHASE AGREEMENT** as of the date set forth in the first paragraph hereof.

PURCHASER(S):

Anson Opportunities Master Fund LP

Signature: _____

Print Name: Moez Kassam

Title: Director, Anson Advisors Inc, Co-Investment Advisor
(*if applicable*)

Address: 155 University Ave, Suite 207

Toronto, ON, M5H 3B7

Number of Shares	**Purchase Price**
169,058	C$ 1,500,000 (8.8727/share)

LIST OF EXHIBITS

Charter	Exhibit A
Investor Rights Agreement	Exhibit B

EXHIBIT A

CHARTER

EXHIBIT B

INVESTOR RIGHTS AGREEMENT

EXECUTION VERSION

TILRAY, INC.

SERIES A PREFERRED STOCK PURCHASE AGREEMENT

THIS SERIES A PREFERRED STOCK PURCHASE AGREEMENT (the "***Agreement***") is made and entered into as of February __, 2018, by and among **TILRAY, INC.**, a Delaware corporation (the "***Company***"), and each of those persons and entities, severally and not jointly, whose names are set forth on the signature pages hereto (which persons and entities are hereinafter collectively referred to as "***Purchasers***" and each individually as a "***Purchaser***").

RECITALS

WHEREAS, the Company has authorized the sale and issuance of an aggregate of Eight Million (8,000,000) its Series A Preferred Stock (the "***Shares***");

WHEREAS, Purchasers desire to purchase the Shares on the terms and conditions set forth herein; and

WHEREAS, the Company desires to issue and sell the Shares to Purchasers on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties, and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO SELL AND PURCHASE.

1.1 Authorization of Shares. The Company has authorized (a) the sale and issuance to Purchasers of the Shares, and (b) the issuance of such shares of Class 2 Common Stock to be issued upon conversion of the Shares (the "***Conversion Shares***"). The Shares and the Conversion Shares have the rights, preferences, privileges and restrictions set forth in the Certificate of Incorporation of the Company, in the form attached hereto as **Exhibit A** (the "***Charter***").

1.2 Sale and Purchase. Subject to the terms and conditions hereof, at the Closing (as hereinafter defined) the Company hereby agrees to issue and sell to each Purchaser, and each Purchaser agrees to purchase from the Company, severally and not jointly, the number of Shares set forth on such Purchaser's signature page, at a purchase price of C$8.8727 per share.

2. CLOSING, DELIVERY AND PAYMENT.

2.1 Closing. The closing of the sale and purchase of the Shares under this Agreement (the "***Closing***") shall take place at 1:00 p.m. on the date hereof, at the offices of Cooley LLP, 1700 Seventh Avenue, Suite 1900, Seattle, WA, 98101, or at such other time or

place as the Company and Purchasers may mutually agree (such date is hereinafter referred to as the "***Closing Date***").

2.2 Delivery. At the Closing, subject to the terms and conditions hereof, the Company will deliver to each Purchaser a certificate representing the number of Shares to be purchased at the Closing by such Purchaser, against payment of the purchase price therefor by check, wire transfer made payable to the order of the Company, or any combination of the foregoing.

2.3 Subsequent Sales of Shares. At any time on or before the date that is thirty (30) days following the date of the Closing or at such later time as the Company and the holders of a majority of the Shares purchased at the Closing (pursuant to Section 2.1) may mutually agree, the Company may sell up to the balance of the authorized Shares not sold at the Closing to such persons as may be approved by the Company (the "***Additional Purchasers***"). All such sales made at any additional closings (each an "***Additional Closing***"), shall be made on the terms and conditions set forth in this Agreement, and (i) the representations and warranties of the Company set forth in Section 3 hereof (and the Schedule of Exceptions) shall speak as of the Closing and the Company shall have no obligation to update any such disclosure, and (ii) the representations and warranties of the Additional Purchasers in Section 4 hereof shall speak as of such Additional Closing. Additional Purchaser signature pages may be added to this Agreement without the consent of the Purchasers to include any Additional Purchasers upon the execution by such Additional Purchasers of a counterpart signature page hereto. Any shares of Series A Preferred Stock sold pursuant to this Section 2.3 shall be deemed to be "Shares" for all purposes under this Agreement and any Additional Purchasers thereof shall be deemed to be "Purchasers" for all purposes under this Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Except as set forth on a Schedule of Exceptions delivered by the Company to Purchasers at the Closing, the Company hereby represents and warrants to each Purchaser as of the date of this Agreement as set forth below.

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Section 3.1 of the Schedule of Exceptions lists each subsidiary of the Company and any other entity in which the Company owns (directly or indirectly) more than 20% of the outstanding capital stock of such entity. Each of the Company's subsidiaries is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation. The Company has all requisite corporate power and authority to own and operate its properties and assets, to execute and deliver this Agreement and the Investor Rights Agreement in the form attached hereto as **Exhibit B** (the "***Investor Rights Agreement***"), to issue and sell the Shares and the Conversion Shares, and to carry out the provisions of this Agreement, the Investor Rights Agreement and the Charter and to carry on its business as presently conducted. Each of the Company's subsidiaries has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as presently conducted. The Company and each of its subsidiaries is duly qualified to do business and is in good standing as a foreign entity in all jurisdictions in which the nature of its activities and of its properties (both owned and leased)

makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or such subsidiary, as applicable or the Company or such subsidiary's business, as applicable.

3.2 Capitalization; Voting Rights.

(a) The authorized capital stock of the Company, immediately prior to the Closing, consists of (i) 100,000,000 shares of Class 1 Common Stock, par value C$0.0001 per share, 75,000,000 shares of which are issued and outstanding, (ii) 100,000,000 shares of Class 2 Common Stock, par value C$0.0001 per share, none of which are issued and outstanding, (iii) 15,000,000 shares of Class 3 Common Stock, par value C$0.0001 per share, none of which are issued and outstanding, and (iv) 8,000,000 shares of Preferred Stock, par value C$0.0001 per share, all of which are designated Series A Preferred Stock, none of which are issued and outstanding.

(b) Under the Company's 2018 Equity Incentive Plan (the "***Plan***"), (i) no shares have been issued pursuant to restricted share purchase agreements and/or the exercise of outstanding options, (ii) no options to purchase shares of Class 3 Common Stock have been granted and are currently outstanding, and (iii) 6,711,621 shares of Class 3 Common Stock remain available for future issuance to officers, directors, employees and consultants of the Company. The Company has not made any representations regarding equity incentives to any officer, employee, director or consultant.

(c) Other than (i) the shares reserved for issuance under the Plan and (ii) except as may be granted pursuant to this Agreement and the Investor Rights Agreement, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), proxy or stockholder agreements, or agreements of any kind for the purchase or acquisition from the Company of any of its securities.

(d) Either the Company or a wholly owned subsidiary of the Company holds 100% of the outstanding interests in each subsidiary. There are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), proxy or stockholder agreements, or agreements of any kind for the purchase or acquisition from the Company or any subsidiary of the Company of any of such subsidiary's securities.

(e) All issued and outstanding shares of the Company's Common Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable, (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities; and (iii) are subject to a right of first refusal in favor of the Company upon transfer.

(f) The rights, preferences, privileges and restrictions of the Shares are as stated in the Charter. The Conversion Shares have been duly and validly reserved for issuance. When issued in compliance with the provisions of this Agreement and the Charter, the Shares and the Conversion Shares will be validly issued, fully paid and nonassessable, and will be free of any liens or encumbrances other than (i) liens and encumbrances created by or imposed upon the Purchasers and (ii) any right of first refusal set forth in the Company's Bylaws; provided, however, that the Shares and the Conversion Shares may be subject to

restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time a transfer is proposed. The sale of the Shares and the subsequent conversion of the Shares into Conversion Shares are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

(g) All outstanding shares of Common Stock and Preferred Stock, and all shares of Common Stock and Preferred Stock issuable upon the exercise or conversion of outstanding options, warrants or other exercisable or convertible securities are subject to a market standoff or "lockup" agreement of not less than 180 days following the Company's initial public offering.

(h) No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "Disqualification Event") is applicable to the Company or, to the Company's knowledge, any Company Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable.

3.3 Authorization; Binding Obligations. All corporate action on the part of the Company, each subsidiary of the Company, the Company's officers, directors and stockholders, and the officers, directors and stockholders of each subsidiary of the Company necessary for the authorization of this Agreement and the Investor Rights Agreement, the performance of all obligations of the Company hereunder and thereunder at the Closing and the authorization, sale, issuance and delivery of the Shares pursuant hereto and the Conversion Shares pursuant to the Charter has been taken. The Agreement and the Investor Rights Agreement, when executed and delivered, will be valid and binding obligations of the Company enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, (b) general principles of equity that restrict the availability of equitable remedies, and (c) to the extent that the enforceability of the indemnification provisions in the Investor Rights Agreement may be limited by applicable laws.

3.4 Obligations to Related Parties. There are no obligations of the Company or any subsidiary of the Company to officers, directors, stockholders, or employees of the Company or any subsidiary of the Company other than (a) for payment of salary for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Company or any subsidiary of the Company and (c) for other standard employee benefits made generally available to all employees (including stock option agreements outstanding under any stock option plan approved by the Board of Directors of the Company). None of the officers, directors or, to the best of the Company's knowledge, key employees or stockholders of the Company or any subsidiary of the Company or any members of their immediate families, is indebted to the Company or any subsidiary of the Company or has any direct or indirect ownership interest in any firm or corporation with which the Company or any subsidiary of the Company is affiliated or with which the Company or any subsidiary of the Company has a business relationship, or any firm or corporation that competes with the Company or any subsidiary of the Company, other than (i) passive investments in publicly traded companies (representing less than one percent (1%) of such company) which may compete with the Company or any subsidiary of the

Company and (ii) investments by venture capital funds with which directors of the Company or any subsidiary of the Company may be affiliated and service as a board member of a company in connection therewith due to a person's affiliation with a venture capital fund or similar institutional investor in such company. No officer, director or stockholder, or any member of their immediate families, is, directly or indirectly, interested in any material contract with the Company or any subsidiary of the Company (other than such contracts as relate to any such person's ownership of capital stock or other securities of the Company or a subsidiary of the Company).

3.5 Title to Properties and Assets; Liens, Etc. The Company and each subsidiary of the Company has good and marketable title to their respective properties and assets, in each case subject to no mortgage, pledge, lien, lease, encumbrance or charge, other than (a) those resulting from taxes which have not yet become delinquent, (b) minor liens and encumbrances which do not materially detract from the value of the property subject thereto or materially impair the operations of the Company or such subsidiary of the Company, and (c) those that have otherwise arisen in the ordinary course of business, none of which (individually or in the aggregate) are material.

3.6 Compliance with Other Instruments. Neither the Company nor any subsidiary of the Company is in violation or default of any term of its charter documents, each as amended, or of any provision of any mortgage, indenture, contract, lease, agreement, instrument or contract to which it is party or by which it is bound or of any judgment, decree, order or writ other than any such violation (individually or in the aggregate) that would not have a material adverse effect on the Company or such subsidiary of the Company. The execution, delivery, and performance of and compliance with this Agreement, and the Investor Rights Agreement, and the issuance and sale of the Shares pursuant hereto and of the Conversion Shares pursuant to the Charter, will not, with or without the passage of time or giving of notice, result in any such material violation, or be in conflict with or constitute a material default under any such term or provision, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company or any subsidiary of the Company or the suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to the Company or any subsidiary of the Company, their respective businesses or operations or any of their respective assets or properties. To its knowledge, the Company and each subsidiary of the Company have avoided every condition, and have not performed any act, the occurrence of which would result in the Company's or any subsidiary of the Company's loss of any material right granted under any license, distribution agreement or other agreement required to be disclosed on the Schedule of Exceptions.

3.7 Litigation. There is no action, suit, proceeding or investigation pending or, to the Company's knowledge, currently threatened in writing against the Company or any subsidiary of the Company that would reasonably be expected to result, either individually or in the aggregate, in any material adverse change in the assets, condition or affairs of the Company or any subsidiary of the Company, financially or otherwise, or any change in the current equity ownership of the Company or any subsidiary of the Company or that questions the validity of this Agreement or the Investor Rights Agreement or the right of the Company to enter into any of such agreements, or to consummate the transactions contemplated hereby or thereby. The foregoing includes, without limitation, actions pending or, to the Company's knowledge,

threatened in writing involving the prior employment of any of the Company's or any subsidiary of the Company's employees, such employees' use in connection with the Company's or subsidiary of the Company's business of any information or techniques allegedly proprietary to any of their former employers, or such employees' obligations under any agreements with prior employers. Neither the Company nor any subsidiary of the Company is a party or, to the Company's knowledge, subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company or any subsidiary of the Company currently pending or which the Company or any subsidiary of the Company intends to initiate.

3.8 Tax Returns and Payments. The Company is and always has been a subchapter C corporation. The Company and each subsidiary of the Company has filed all material tax returns (federal, state and local) required to be filed by them. All taxes shown to be due and payable on such returns, any assessments imposed, and to the Company's knowledge all other taxes due and payable by the Company or such subsidiary of the Company on or before the Closing, have been paid or will be paid prior to the time they become delinquent. Neither the Company nor any subsidiary of the Company has been advised (a) that any of its returns, federal, state or other, have been or are being audited as of the date hereof, or (b) of any deficiency in assessment or proposed judgment to its federal, state or other taxes. The Company has no knowledge of any liability of any tax to be imposed upon its or any subsidiary of the Company's properties or assets as of the date of this Agreement that is not adequately provided for.

3.9 Obligations of Management. Except as described in Section 3.9 of the Schedule of Exceptions, each officer and key employee of the Company and each subsidiary of the Company is currently devoting substantially all of his or her business time to the conduct of the business of the Company or such subsidiary of the Company. The Company is not aware that any officer or key employee of the Company or any subsidiary of the Company is planning to work less than full time at the Company in the future. No officer or key employee of the Company or any subsidiary of the Company is currently working or, to the Company's knowledge, plans to work for a competitive enterprise, whether or not such officer or key employee is or will be compensated by such enterprise.

3.10 Registration Rights and Voting Rights. Except as required pursuant to the Investor Rights Agreement, the Company is presently not under any obligation, and has not granted any rights, to register under the Securities Act of 1933, as amended (the "***Securities Act***"), any of the Company's presently outstanding securities or any of its securities that may hereafter be issued. To the Company's knowledge, except as contemplated in the Investor Rights Agreement, no stockholder of the Company has entered into any agreement with respect to the voting of equity securities of the Company.

3.11 Compliance with Laws; Permits. To the Company's knowledge, neither the Company nor any subsidiary of the Company is in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties, which violation would materially and adversely affect the business, assets, liabilities, financial condition or operations of the Company or any subsidiary of the Company. No domestic governmental orders, permissions, consents, approvals or authorizations are required to be

obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of this Agreement or the issuance of the Shares or the Conversion Shares, except such as have been duly and validly obtained or filed, or with respect to any filings that must be made after the Closing, as will be filed in a timely manner. The Company and each subsidiary of the Company have all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by the Company and such subsidiary of the Company, the lack of which could materially and adversely affect the business, assets, properties or financial condition of the Company or such subsidiary of the Company, and the Company believes the Company and each subsidiary of the Company can obtain, without undue burden or expense, any similar authority for the conduct of the Company's business and such subsidiary of the Company's business as planned to be conducted.

3.12 Offering Valid. Assuming the accuracy of the representations and warranties of Purchasers contained in Section 4.2 hereof, the offer, sale and issuance of the Shares and the Conversion Shares will be exempt from the registration requirements of the Securities Act, and will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws. Neither the Company nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the Shares to any person or persons so as to bring the sale of such Shares by the Company within the registration provisions of the Securities Act or any state securities laws.

3.13 Full Disclosure. The Company has provided Purchasers with all information requested by the Purchasers in connection with their decision to purchase the Shares. To the Company's knowledge, neither this Agreement, the exhibits hereto, the Investor Rights Agreement nor any other document delivered by the Company to Purchasers in connection herewith or therewith at the Closing or with the transactions contemplated hereby or thereby, contain any untrue statement of a material fact nor, to the Company's knowledge, omit to state a material fact necessary in order to make the statements contained herein or therein not misleading.

3.14 Real Property Holding Corporation. The Company is not a real property holding corporation within the meaning of Code Section 897(c)(2) and any regulations promulgated thereunder.

3.15 Executive Officers. To the knowledge of the Company, no executive officer or person nominated to become an executive officer of the Company or any subsidiary of the Company (i) has been convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding minor traffic violations) or (ii) is or has been subject to any judgment or order of, the subject of any pending civil or administrative action by the Securities and Exchange Commission or any self-regulatory organization.

3.16 Foreign Corrupt Practices Act. Neither the Company nor, to the Company's knowledge, any of the Company's directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "***FCPA***")), foreign political party

or official thereof or candidate for foreign political office in violation of the FCPA for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Company or any of its affiliates in obtaining or retaining business for or with, or directing business to, any person.

3.17 Brokers. The Company is not bound by or subject to any agreement with any person which will result in the Company being obligated to pay any finder's fee or commission in connection with this transaction, other than the fees payable by the Company to Cowen and Company, LLC. The Company is not bound by or subject to any agreement with any person which will result in any Purchaser being obligated to pay any finder's fees or commission in connection with this transaction.

4. REPRESENTATIONS AND WARRANTIES OF PURCHASERS.

Each Purchaser hereby represents and warrants to the Company, severally and not jointly, as follows (provided that such representations and warranties do not lessen or obviate the representations and warranties of the Company set forth in this Agreement):

4.1 Requisite Power and Authority. Purchaser has all necessary power and authority to execute and deliver this Agreement and the Investor Rights Agreement and to carry out their provisions. All action on Purchaser's part required for the lawful execution and delivery of this Agreement and the Investor Rights Agreement has been taken. Upon their execution and delivery, this Agreement and the Investor Rights Agreement will be valid and binding obligations of Purchaser, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, (b) as limited by general principles of equity that restrict the availability of equitable remedies, and (c) to the extent that the enforceability of the indemnification provisions of the Investor Rights Agreement may be limited by applicable laws.

4.2 Investment Representations. Purchaser understands that neither the Shares nor the Conversion Shares have been registered under the Securities Act. Purchaser also understands that the Shares are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Purchaser's representations contained in the Agreement. Purchaser hereby represents and warrants as follows:

(a) Purchaser Bears Economic Risk. Purchaser has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so that it is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests. Purchaser must bear the economic risk of this investment indefinitely unless the Shares (or the Conversion Shares) are registered pursuant to the Securities Act, or an exemption from registration is available. Purchaser understands that the Company has no present intention of registering the Shares, the Conversion Shares or any shares of its Common Stock. Purchaser also understands that there is no assurance that any exemption from registration under the Securities Act will be

available and that, even if available, such exemption may not allow Purchaser to transfer all or any portion of the Shares or the Conversion Shares under the circumstances, in the amounts or at the times Purchaser might propose.

(b) Acquisition for Own Account. Purchaser is acquiring the Shares and the Conversion Shares for Purchaser's own account for investment only, and not with a view towards their distribution.

(c) Purchaser Can Protect Its Interest. Purchaser represents that by reason of its, or of its management's, business or financial experience, Purchaser has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement, and the Investor Rights Agreement. Further, Purchaser is aware of no publication of any advertisement in connection with the transactions contemplated in the Agreement.

(d) Accredited Investor. Purchaser represents that it is an accredited investor within the meaning of Regulation D under the Securities Act.

(e) Company Information. Purchaser has had an opportunity to discuss the Company's business, management and financial affairs with directors, officers and management of the Company and has had the opportunity to review the Company's operations and facilities. Purchaser has also had the opportunity to ask questions of and receive answers from, the Company and its management regarding the terms and conditions of this investment.

(f) Rule 144. Purchaser acknowledges and agrees that the Shares, and, if issued, the Conversion Shares are "restricted securities" as defined in Rule 144 promulgated under the Securities Act as in effect from time to time and must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144 and the number of shares being sold during any three-month period not exceeding specified limitations.

(g) Residence. If Purchaser is an individual, then Purchaser resides in the state or province identified in the address of Purchaser set forth on each Purchaser's signature page; if Purchaser is a partnership, corporation, limited liability company or other entity, then the office or offices of Purchaser in which its investment decision was made is located at the address or addresses of Purchaser set forth on such Purchaser's signature page.

(h) Foreign Investors. If Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Shares or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any government or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that

may be relevant to the purchase, holding, redemption, sale or transfer of the Shares. The Company's offer and sale and Purchaser's subscription and payment for and continued beneficial ownership of the Shares will not violate any applicable securities or other laws of Purchaser's jurisdiction.

4.3 Transfer Restrictions. Each Purchaser acknowledges and agrees that the Shares and, if issued, the Conversion Shares are subject to restrictions on transfer as set forth in the Investor Rights Agreement.

5. CONDITIONS TO CLOSING.

5.1 Conditions to Purchasers' Obligations at the Closing. Purchasers' obligations to purchase the Shares at the Closing are subject to the satisfaction, at or prior to the Closing Date, of the following conditions:

(a) Representations and Warranties True; Performance of Obligations. The representations and warranties made by the Company in Section 3 hereof shall be true and correct as of the Closing Date with the same force and effect as if they had been made as of the Closing Date, and the Company shall have performed all obligations and conditions herein required to be performed or observed by it on or prior to the Closing.

(b) Legal Investment. On the Closing Date, the sale and issuance of the Shares and the proposed issuance of the Conversion Shares shall be legally permitted by all laws and regulations to which Purchasers and the Company are subject.

(c) Consents, Permits, and Waivers. The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Agreement and the Investor Rights Agreement except for such as may be properly obtained subsequent to the Closing.

(d) Corporate Documents. The Company shall have delivered to Purchasers copies of all corporate documents of the Company as Purchasers shall reasonably request.

(e) Reservation of Conversion Shares. The Conversion Shares issuable upon conversion of the Shares shall have been duly authorized and reserved for issuance upon such conversion.

(f) Investor Rights Agreement. The Investor Rights Agreement substantially in the form attached hereto as **Exhibit B** shall have been executed and delivered by the parties thereto.

(g) Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing hereby and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to Purchasers, and Purchasers shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

5.2 Conditions to Obligations of the Company. The Company's obligation to issue and sell the Shares at each Closing is subject to the satisfaction, on or prior to such Closing, of the following conditions:

(a) Representations and Warranties True. The representations and warranties in Section 4 made by those Purchasers acquiring Shares hereof shall be true and correct at the date of the Closing, with the same force and effect as if they had been made on and as of said date.

(b) Performance of Obligations. Such Purchasers shall have performed and complied with all agreements and conditions herein required to be performed or complied with by such Purchasers on or before the Closing.

(c) Investor Rights Agreement. The Investor Rights Agreement substantially in the form attached hereto as **Exhibit B** shall have been executed and delivered by Purchasers.

(d) Consents, Permits, and Waivers. The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Agreement and the Investor Rights Agreement (except for such as may be properly obtained subsequent to the Closing).

6. MISCELLANEOUS.

6.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and performed entirely within Delaware, without giving effect to conflict of law principles thereof. The parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby submit to the jurisdiction and venue of, any state or federal court located in the County of King, Washington, United States.

6.2 Survival. The representations, warranties, covenants and agreements made herein shall survive the closing of the transactions contemplated hereby. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the Company hereunder solely as of the date of such certificate or instrument. The representations, warranties, covenants and obligations of the Company, and the rights and remedies that may be exercised by the Purchasers, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of, any of the Purchasers or any of their representatives.

6.3 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors, assigns, heirs, executors and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of the Shares from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of

the transfer of any Shares specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such Shares in its records as the absolute owner and holder of such Shares for all purposes.

6.4 Entire Agreement. This Agreement, the exhibits and schedules hereto, the Investor Rights Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable for or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein.

6.5 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.6 Amendment and Waiver. This Agreement may be amended or modified, and the obligations of the Company and the rights of the holders of the Shares and the Conversion Shares under the Agreement may be waived, only upon the written consent of the Company and holders of a majority of the Shares purchased or agreed to be purchased pursuant to this Agreement (treated as if converted and including any Conversion Shares into which the then outstanding Shares have been converted that have not been sold to the public).

6.7 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement, the Investor Rights Agreement or the Charter, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any party's part of any breach, default or noncompliance under this Agreement, the Investor Rights Agreement or under the Charter or any waiver on such party's part of any provisions or conditions of the Agreement, the Investor Rights Agreement, or the Charter must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, the Investor Rights Agreement, the Charter, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

6.8 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address as set forth on the signature page hereof and to Purchaser at the address set forth on such Purchaser's signature page hereto or at such other address or electronic mail address as the

Company or Purchaser may designate by ten (10) days advance written notice to the other parties hereto.

6.9 Expenses. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of the Agreement.

6.10 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

6.11 Titles and Subtitles. The titles of the sections and subsections of the Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

6.13 Broker's Fees. Each party hereto represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party hereto is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein. Each party hereto further agrees to indemnify each other party for any claims, losses or expenses incurred by such other party as a result of the representation in this Section 6.13 being untrue.

6.14 Exculpation Among Purchasers. Each Purchaser acknowledges that it is not relying upon any person, firm, or corporation, other than the Company and its officers and directors, in making its investment or decision to invest in the Company. Each Purchaser agrees that no Purchaser nor the respective controlling persons, officers, directors, partners, agents, or employees of any Purchaser shall be liable to any other Purchaser for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the purchase of the Shares and Conversion Shares.

6.15 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

6.16 California Corporate Securities Law. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION OR IN THE ABSENCE OF AN EXEMPTION FROM SUCH QUALIFICATION IS UNLAWFUL. PRIOR TO ACCEPTANCE OF SUCH CONSIDERATION BY THE COMPANY, THE RIGHTS OF ALL PARTIES TO THIS

AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED OR AN EXEMPTION FROM SUCH QUALIFICATION BEING AVAILABLE.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have executed the **SERIES A PREFERRED STOCK PURCHASE AGREEMENT** as of the date set forth in the first paragraph hereof.

COMPANY:

TILRAY, INC.

Signature:_____

Print Name:_____

Title:_____

Address: _____

_____

IN WITNESS WHEREOF, the parties hereto have executed the **SERIES A PREFERRED STOCK PURCHASE AGREEMENT** as of the date set forth in the first paragraph hereof.

PURCHASER(S):

AC Anson Investments Ltd

Signature: 

Print Name: Moez Kassam

Title: Director, Anson Advisors Inc, Investment Manager
(*if applicable*)

Address: 155 University Ave, Suite 207

Toronto, ON, M5H 3B7

Number of Shares	**Purchase Price**
169,058	C$ 1,500,000 (8.8727/share)

LIST OF EXHIBITS

Charter	Exhibit A
Investor Rights Agreement	Exhibit B

EXHIBIT A

CHARTER

EXHIBIT B

INVESTOR RIGHTS AGREEMENT

EXECUTION VERSION

TILRAY, INC.

INVESTOR RIGHTS AGREEMENT

TILRAY, INC.

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (the "***Agreement***") is entered into as of February __, 2018, by and among **TILRAY, INC.**, a Delaware corporation (the "***Company***") and the investors set forth on the signature pages hereto, referred to hereinafter as (together, the "***Investors***" and each individually as an "***Investor***") and those certain holders of the Company's Common Stock listed on **Exhibit A** hereto (the "***Key Holders***")

RECITALS

WHEREAS, the Investors are purchasing shares of the Company's Series A Preferred Stock (the "***Series A Stock***" or the "***Preferred Stock***") pursuant to that certain Series A Preferred Stock Purchase Agreement (the "***Purchase Agreement***") of even date herewith; (the "***Financing***").

WHEREAS, the obligations in the Purchase Agreement are conditioned upon the execution and delivery of this Agreement; and

WHEREAS, in connection with the consummation of the Financing, the parties desire to enter into this Agreement in order to grant registration, information rights and other rights to the Investors as set forth below.

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. GENERAL.

1.1 Definitions. As used in this Agreement the following terms shall have the following respective meanings:

(a) "***Common Stock***" means the Company's Class 1 Common Stock, Class 2 Common Stock, and Class 3 Common Stock, collectively.

(b) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(c) "***Form S-3***" means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(d) "***Holder***" means any person owning of record Registrable Securities that have not been sold to the public or any assignee of record of such Registrable Securities in accordance with Section 2.9 hereof.

(e) "***Initial Offering***" means the Company's first firm commitment underwritten public offering of its Common Stock registered under the Securities Act.

(f) "***Investor Shares***" means all shares of voting capital stock of the Company (including but not limited to all shares of Class 2 Common Stock issued or issuable upon conversion of the Shares) registered in an Investor's name or beneficially owned by such Investor as of the date hereof and any and all other securities of the Company legally or beneficially acquired by such Investor after the date hereof.

(g) "***Key Holder Shares***" means all shares of voting capital stock of the Company registered in a Key Holder's name or beneficially owned by such Key Holder as of the date hereof and any and all other securities of the Company legally or beneficially acquired by such Key Holder after the date hereof.

(h) "***Major Investor***" means an Investor (with its affiliates) who owns not less than Five Hundred Sixty-Three Thousand Five Hundred Twenty-Six (563,526) Shares (as adjusted for stock splits and combinations).

(i) "***Register***," "***registered***," and "***registration***" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(j) "***Registrable Securities***" means (a) Common Stock of the Company issuable or issued upon conversion of the Shares and (b) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such above-described securities. Notwithstanding the foregoing, Registrable Securities shall not include any securities (i) sold by a person to the public either pursuant to a registration statement or Rule 144 or (ii) sold in a private transaction in which the transferor's rights under Section 2 of this Agreement are not assigned.

(k) "***Registrable Securities then outstanding***" shall be the number of shares of the Company's Common Stock that are Registrable Securities and either (a) are then issued and outstanding or (b) are issuable pursuant to then exercisable or convertible securities.

(l) "***Registration Expenses***" shall mean all expenses incurred by the Company in complying with Sections 2.2, 2.3 and 2.4 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, reasonable fees and disbursements not to exceed twenty-five thousand dollars (C$25,000) of a single special counsel for the Holders, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(m) "***SEC***" or "***Commission***" means the Securities and Exchange Commission.

(n) "***Securities Act***" shall mean the Securities Act of 1933, as amended.

(o) "***Selling Expenses***" shall mean all underwriting discounts and selling commissions applicable to the sale.

(p) "***Shares***" shall mean the Series A Stock held from time to time by the Investors and their permitted assigns.

(q) "***Special Registration Statement***" shall mean (i) a registration statement relating to any employee benefit plan or (ii) with respect to any corporate reorganization or transaction under Rule 145 of the Securities Act, any registration statements related to the issuance or resale of securities issued in such a transaction or (iii) a registration related to stock issued upon conversion of debt securities.

SECTION 2. REGISTRATION; RESTRICTIONS ON TRANSFER.

2.1 Restrictions on Transfer.

(a) Each Holder agrees not to make any disposition of all or any portion of the Shares or Registrable Securities unless and until:

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) (A) The transferee has agreed in writing to be bound by the terms of this Agreement, (B) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and (C) if reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Securities Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144, except in unusual circumstances. After its Initial Offering, the Company will not require any transferee pursuant to Rule 144 to be bound by the terms of this Agreement if the shares so transferred do not remain Registrable Securities hereunder following such transfer.

(b) Notwithstanding the provisions of subsection (a) above, no such restriction shall apply to a transfer by a Holder that is (A) a partnership transferring to its partners or former partners in accordance with partnership interests, (B) a corporation transferring to a wholly-owned subsidiary or a parent corporation that owns all of the capital stock of the Holder, (C) a limited liability company transferring to its members or former members in accordance with their interest in the limited liability company, (D) an individual transferring to the Holder's family member or trust for the benefit of an individual Holder or (E) an affiliate of such Holder; *provided* that in each case the transferee will agree in writing to be subject to the terms of this Agreement to the same extent as if he were an original Holder hereunder.

(c) Each certificate representing Shares or Registrable Securities shall be stamped or otherwise imprinted with legends substantially similar to the following (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "***ACT***") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN INVESTOR RIGHTS AGREEMENT BY AND BETWEEN THE STOCKHOLDER AND THE COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(d) The Company shall be obligated to reissue promptly unlegended certificates at the request of any Holder thereof if the Company has completed its Initial Offering and the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification and legend, *provided that* the second legend listed above shall be removed only at such time as the Holder of such certificate is no longer subject to any restrictions hereunder.

(e) Any legend endorsed on an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal.

2.2 Demand Registration.

(a) Subject to the conditions of this Section 2.2, if the Company shall receive a written request from the Holders of a majority of the Registrable Securities (the "***Initiating Holders***") that the Company file a registration statement under the Securities Act covering the registration of at least a majority of the Registrable Securities then outstanding, then the Company shall, within thirty (30) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 2.2, effect, as expeditiously as reasonably possible, the registration under the Securities Act of all Registrable Securities that all Holders request to be registered.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.2 or any request pursuant to Section 2.4 and the Company shall include such information in the written notice referred to in Section 2.2(a) or

Section 2.4(a), as applicable. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities held by all Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 2.2 or Section 2.4, if the underwriter advises the Company that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities) then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities on a *pro rata* basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders); provided that to the extent other shares of the Company are included in any such registration statement, 100% of such other shares must be excluded before any Registrable Securities are excluded. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 2.2:

(i) prior to the earlier of (A) December 31, 2018 or (B) of the expiration of the restrictions on transfer set forth in Section 2.11 following the Initial Offering;

(ii) after the Company has effected two (2) registrations pursuant to this Section 2.2, and such registrations have been declared or ordered effective;

(iii) during the period starting with the date of filing of, and ending on the date one hundred eighty (180) days following the effective date of the registration statement pertaining to a public offering, other than pursuant to a Special Registration Statement; *provided* that the Company makes reasonable good faith efforts to cause such registration statement to become effective;

(iv) if within thirty (30) days of receipt of a written request from Initiating Holders pursuant to Section 2.2(a), the Company gives notice to the Holders of the Company's intention to file a registration statement for a public offering, other than pursuant to a Special Registration Statement within ninety (90) days, provided if the Company shall not have actually filed a registration statement within such ninety (90) day period, then the Initiating Holders shall be permitted to make a new request and the Company will not be entitled to block such request pursuant to this clause (iv);

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.2 a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of

not more than ninety (90) days after receipt of the request of the Initiating Holders; *provided* that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period;

(vi) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.4 below; or

(vii) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

2.3 Piggyback Registrations. The Company shall notify all Holders of Registrable Securities in writing at least fifteen (15) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding Special Registration Statements) and will afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities by such Holder. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) Underwriting. If the registration statement of which the Company gives notice under this Section 2.3 is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to include Registrable Securities in a registration pursuant to this Section 2.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Agreement, if the Company determines in good faith, based on consultation with the underwriter, that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the underwriting shall be allocated, first, to the Company; second, to the Holders on a *pro rata* basis based on the total number of Registrable Securities held by the Holders; and third, to any stockholder of the Company (other than a Holder) on a *pro rata* basis; provided, however, that no such reduction shall reduce the amount of securities of the selling Holders included in the registration below thirty percent (30%) of the total amount of securities included in such registration, unless such offering is the Initial Offering and such registration does not include shares of any other selling stockholders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding clause. In no event

will shares of any other selling stockholder be included in such registration that would reduce the number of shares which may be included by Holders without the written consent of Holders of not less than a majority of the Registrable Securities proposed to be sold in the offering. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder which is a partnership, limited liability company or corporation, the partners, retired partners, members, retired members and stockholders of such Holder, or the estates and family members of any such partners, retired partners, members and retired members and any trusts for the benefit of any of the foregoing person shall be deemed to be a single "Holder," and any *pro rata* reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.3 whether or not any Holder has elected to include securities in such registration, and shall promptly notify any Holder that has elected to include shares in such registration of such termination or withdrawal. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.5 hereof.

2.4 Form S-3 Registration. In case the Company shall receive from any Holder or Holders of Registrable Securities a written request or requests that the Company effect a registration on Form S-3 (or any successor to Form S-3) or any similar short-form registration statement and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.4:

(i) if Form S-3 is not available for such offering by the Holders, or

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than one million dollars (C$1,000,000), or

(iii) if within thirty (30) days of receipt of a written request from any Holder or Holders pursuant to this Section 2.4, the Company gives notice to such Holder or Holders of the Company's intention to make a public offering within ninety (90) days, other than pursuant to a Special Registration Statement, provided if the Company shall not have actually filed a registration statement within such ninety (90) day period, then the Initiating Holders shall be permitted to make a new request and the Company will not be entitled to block such request pursuant to this clause (iii);

(iv) if the Company shall furnish to the Holders a certificate signed by the Chairman of the Board of Directors of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 2.4; *provided*, that such right to delay a request shall be exercised by the Company not more than twice in any twelve (12) month period, or

(v) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 for the Holders pursuant to this Section 2.4, or

(vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a Form S-3 registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the requests of the Holders. Registrations effected pursuant to this Section 2.4 shall not be counted as demands for registration or registrations effected pursuant to Section 2.2.

2.5 Expenses of Registration. Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 2.2, 2.3 or 2.4 herein shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder, shall be borne by the holders of the securities so registered *pro rata* on the basis of the number of shares so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 2.2 or 2.4, the request of which has been subsequently withdrawn by the Initiating Holders unless (a) the withdrawal is based upon material adverse information concerning the Company of which the Initiating Holders were not aware at the time of such request or (b) the Holders of a majority of Registrable Securities agree to deem such registration to have been effected as of the date of such withdrawal for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c) or 2.4(b)(v), as applicable, to undertake any subsequent registration, in which event such right shall be forfeited by all Holders. If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay

the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then such registration shall not be deemed to have been effected for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c) or 2.4(b)(v), as applicable, to undertake any subsequent registration.

2.6 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to one hundred twenty (120) days or, if earlier, until the Holder or Holders have completed the distribution related thereto; provided, however, that at any time, upon written notice to the participating Holders and for a period not to exceed sixty (60) days thereafter (the "***Suspension Period***"), the Company may delay the filing or effectiveness of any registration statement or suspend the use or effectiveness of any registration statement (and the Initiating Holders hereby agree not to offer or sell any Registrable Securities pursuant to such registration statement during the Suspension Period) if the Company reasonably believes that there is or may be in existence material nonpublic information or events involving the Company, the failure of which to be disclosed in the prospectus included in the registration statement could result in a Violation (as defined below). In the event that the Company shall exercise its right to delay or suspend the filing or effectiveness of a registration hereunder, the applicable time period during which the registration statement is to remain effective shall be extended by a period of time equal to the duration of the Suspension Period. The Company may extend the Suspension Period for an additional consecutive sixty (60) days with the consent of the holders of a majority of the Registrable Securities registered under the applicable registration statement, which consent shall not be unreasonably withheld. If so directed by the Company, all Holders registering shares under such registration statement shall (i) not offer to sell any Registrable Securities pursuant to the registration statement during the period in which the delay or suspension is in effect after receiving notice of such delay or suspension; and (ii) use their best efforts to deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holders' possession, of the prospectus relating to such Registrable Securities current at the time of receipt of such notice. Notwithstanding the foregoing, the Company shall not be required to file, cause to become effective or maintain the effectiveness of any registration statement other than a registration statement on Form S-3 that contemplates a distribution of securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other

documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company will use reasonable efforts to amend or supplement such prospectus in order to cause such prospectus not to include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Use its reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering addressed to the underwriters.

2.7 Delay of Registration; Furnishing Information.

(a) No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.2, 2.3 or 2.4 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities.

(c) The Company shall have no obligation with respect to any registration requested pursuant to Section 2.2 or Section 2.4 if the number of shares or the anticipated

aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in Section 2.2 or Section 2.4, whichever is applicable.

2.8 Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 2.2, 2.3 or 2.4:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers and directors of each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "***Violation***") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder, partner, member, officer, director, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided however*, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, member, officer, director, underwriter or controlling person of such Holder.

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, its officers and each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors or officers or any person who controls such Holder, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, controlling person, underwriter or other such Holder, or partner, director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any of the

following statements: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act (collectively, a "***Holder Violation***"), in each case to the extent (and only to the extent) that such Holder Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder and stated to be specifically for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, or partner, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action if it is judicially determined that there was such a Holder Violation; *provided, however,* that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; *provided further*, that in no event shall any indemnity under this Section 2.8 exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however,* that an indemnified party shall have the right to retain its own counsel, with the fees and expenses thereof to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8 to the extent, and only to the extent, prejudicial to its ability to defend such action, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) If the indemnification provided for in this Section 2.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) or Holder Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the

indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; *provided*, *that* in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder.

(e) The obligations of the Company and Holders under this Section 2.8 shall survive completion of any offering of Registrable Securities in a registration statement and, with respect to liability arising from an offering to which this Section 2.8 would apply that is covered by a registration filed before termination of this Agreement, such termination. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

2.9 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned by a Holder to a transferee or assignee of Registrable Securities (for so long as such shares remain Registrable Securities) that (a) is a subsidiary, parent, general partner, limited partner, retired partner, member or retired member, or stockholder of a Holder that is a corporation, partnership or limited liability company, (b) is a Holder's family member or trust for the benefit of an individual Holder, or (c) acquires at least Five Hundred Sixty-Three Thousand Five Hundred Twenty-Six (563,526) shares of Registrable Securities (as adjusted for stock splits and combinations); or (d) is an entity affiliated by common control (or other related entity) with such Holder *provided, however,* (i) the transferor shall, within ten (10) days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (ii) such transferee shall agree to be subject to all restrictions set forth in this Agreement.

2.10 Limitation on Subsequent Registration Rights. Other than as provided in Section 2.14, after the date of this Agreement, the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company that would grant such holder rights to demand the registration of shares of the Company's capital stock, or to include such shares in a registration statement that would reduce the number of shares includable by the Holders.

2.11 Market Stand-Off Agreement. Each Holder hereby agrees that such Holder shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration, i.e. shares purchased in the Initial Offering) during the 180-day period following the effective date of the Initial Offering; provided, that all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements.

2.12 Agreement to Furnish Information. Each Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the managing underwriters that are consistent with the Holder's obligations under Section 2.11 or that are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in Section 2.11 and this Section 2.12 shall not apply to a Special Registration Statement. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to such shares of Common Stock (or other securities) until the end of such period. Each Holder agrees that any transferee of any shares of Registrable Securities shall be bound by Sections 2.11 and 2.12. The underwriters of the Company's stock are intended third party beneficiaries of Sections 2.11 and 2.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

2.13 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) Make and keep public information available, as those terms are understood and defined in SEC Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 of the Securities Act, and of the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company filed with the Commission; and such other reports and documents as a Holder may reasonably request in connection with availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

2.14 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.2, Section 2.3, or Section 2.4 hereof shall terminate upon the earlier of: (i) the date five (5) years following an initial public offering that results in the conversion of all outstanding shares of Preferred Stock; or (ii) such time as such Holder holds less than one percent (1%) of the Company's outstanding shares of Common Stock (treating all shares of Preferred Stock on an as converted basis), the Company has completed its Initial Offering and all Registrable Securities of the Company issuable or issued upon conversion of the Shares held by and issuable to such Holder (and its affiliates) may be sold pursuant to Rule 144 during any ninety (90) day period. Upon such termination, such shares shall cease to be "Registrable Securities" hereunder for all purposes.

2.15 Rule144A Information Rights. So long as the Company is not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act, the Company shall provide the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to a Holder upon such Holder's request.

SECTION 3. COVENANTS OF THE COMPANY.

3.1 Basic Financial Information and Reporting.

(a) The Company will maintain true books and records of account in which full and correct entries will be made of all its business transactions pursuant to a system of accounting established and administered in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof), and will set aside on its books all such proper accruals and reserves as shall be required under generally accepted accounting principles consistently applied.

(b) To the extent requested by an Investor, as soon as practicable after the end of each fiscal year of the Company, and in any event within one hundred twenty (120) days thereafter, the Company will furnish such Investor a balance sheet of the Company, as at the end of such fiscal year, and a statement of income and a statement of cash flows of the Company, for such year, all prepared in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof) and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail. Such financial statements shall be accompanied by a report and opinion thereon by independent public accountants selected by the Company's Board of Directors.

(c) To the extent requested by a Major Investor, the Company will furnish such Major Investor, as soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, and in any event within forty-five (45) days thereafter, a balance sheet of the Company as of the end of each such quarterly period, and a statement of income and a statement of cash flows of the Company for such period and for the current fiscal year to date, prepared in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof), with the exception that no notes need be attached to such statements and year-end audit adjustments may not have been made.

(d) To the extent requested by a Major Investor, the Company will furnish to such Major Investor an annual budget for the upcoming fiscal year.

3.2 Inspection Rights. Each Major Investor shall have the right to visit and inspect any of the properties of the Company or any of its subsidiaries, and to discuss the affairs, finances and accounts of the Company or any of its subsidiaries with its officers, and to review such information as is reasonably requested all at such reasonable times and as often as may be reasonably requested; *provided, however,* that the Company shall not be obligated under this Section 3.2 with respect to a competitor of the Company or with respect to information which the Board of Directors determines in good faith is confidential or attorney-client privileged and should not, therefore, be disclosed.

3.3 Confidentiality of Records. Each Investor agrees to use the same degree of care as such Investor uses to protect its own confidential information to keep confidential any information furnished to such Investor hereof that the Company identifies as being confidential or proprietary (so long as such information is not in the public domain), except that such Investor may disclose such proprietary or confidential information (i) to any partner, subsidiary or parent of such Investor as long as such partner, subsidiary or parent is advised of and agrees or has agreed to be bound by the confidentiality provisions of this Section 3.3 or comparable restrictions; (ii) at such time as it enters the public domain through no fault of such Investor; (iii) that is communicated to it free of any obligation of confidentiality; (iv) that is developed by Investor or its agents independently of and without reference to any confidential information communicated by the Company; (v) to a third party who is a bona fide prospective purchaser ("***Prospective Purchaser***") of such Investor's Investor Shares as long as (1) such Prospective Purchaser is advised of and agrees or has agreed to be bound by the confidentiality provisions of this Section 3.3 or comparable restrictions, (2) such Prospective Purchaser is not a competitor of the Company or is not a company operating in the cannabis or cannabis-related sectors or, to Investor's knowledge after reasonable investigation, an investor with investments in the cannabis or cannabis-related sectors (and the foregoing shall include any individual or entity affiliated with any Prospective Purchaser who meets the foregoing disqualifying criteria) unless the Company provides its prior written consent, which consent shall not be unreasonably withheld, (3) such Investor promptly informs the Company of any disclosure to a Prospective Purchaser and identifies the Prospective Purchaser, or (vi) as required by applicable law.

3.4 Reservation of Common Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Preferred Stock, all shares of Class 2 Common Stock issuable from time to time upon such conversion.

3.5 Operating Covenants Related to Key Holder Activities. For so long as at least one million (1,000,000) shares of Preferred Stock (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof) remain outstanding, without the prior written consent of the holders of a majority of the outstanding Preferred Stock (which shall not be unreasonably withheld):

(a) The Company will not repurchase shares of Common Stock from any Key Holder or entity affiliated with any Key Holder;

(b) The Company will not be sold to or merge with any Key Holder or entity affiliated with any Key Holder;

(c) The Company will not issue shares of Company capital stock to any Key Holder or entity affiliated with any Key Holder (provided the foregoing shall not apply to any equity awards from the Company's equity incentive plans which may be issued to individuals affiliated with any Key Holder);

(d) The Company will not borrow money from any Key Holder or entity affiliated with any Key Holder in excess of CDN$10,000,000

(e) The Company will not sell or otherwise transfer any material assets to any Key Holder or entity affiliated with any Key Holder; and

(f) The Key Holder will only produce and distribute medical cannabis outside of the United States through the Company (provided the foregoing restriction does not apply to the operations of Leafly, Inc.'s ecommerce platform).

The foregoing restrictions shall apply after the closing of the Financing and shall not apply to any the various intercompany arrangements and transactions which have occurred prior to the closing.

3.6 Termination of Covenants. All covenants of the Company contained in Section 3 of this Agreement (other than the provisions of Section 3.3) shall expire and terminate as to each Investor upon the earlier of (i) the effective date of the registration statement pertaining to an Initial Offering that results in the Preferred Stock being converted into shares of Class 2 Common Stock or (ii) upon an "***Acquisition***" as defined in the Company's Certificate of Incorporation as in effect as of the date hereof.

SECTION 4. RIGHTS OF FIRST REFUSAL.

4.1 Subsequent Offerings. Subject to applicable securities laws, each Major Investor shall have a right of first refusal to purchase its *pro rata* share of all Equity Securities, as defined below, that the Company may, from time to time, propose to sell and issue after the date of this Agreement, other than the Equity Securities excluded by Section 4.6 hereof. Each Major Investor's *pro rata* share is equal to the ratio of (a) the number of shares of the Company's Common Stock (including all shares of Class 2 Common Stock issuable or issued upon conversion of the Shares or shares of Common Stock issuable or issued upon the exercise of outstanding warrants or options) of which such Major Investor is deemed to be a holder immediately prior to the issuance of such Equity Securities to (b) the total number of the Company's outstanding shares of Common Stock (including all shares of Class 2 Common Stock issuable or issued upon conversion of the Shares or shares of Common Stock issuable or issued upon the exercise of outstanding warrants or options) immediately prior to the issuance of the Equity Securities. The term "***Equity Securities***" shall mean (i) any Common Stock, Preferred Stock or other security of the Company, (ii) any security convertible into or exercisable or exchangeable for, with or without consideration, any Common Stock, Preferred Stock or other security (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Common Stock, Preferred Stock or other security or (iv) any such warrant or right.

4.2 Exercise of Rights. If the Company proposes to issue any Equity Securities, it shall give each Major Investor written notice of its intention, describing the Equity Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Major Investor shall have fifteen (15) days from the giving of such notice to agree to purchase its *pro rata* share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of Equity Securities to be purchased. At the expiration of such fifteen (15) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to

it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the five (5) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the Equity Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the relative *pro rata* shares of all such Fully Exercising Investors who wish to purchase such unsubscribed shares. Notwithstanding the foregoing, the Company shall not be required to offer or sell such Equity Securities to any Major Investor who would cause the Company to be in violation of applicable federal securities laws by virtue of such offer or sale.

4.3 Issuance of Equity Securities to Other Persons. The Company shall have ninety (90) days thereafter to sell the Equity Securities in respect of which the Major Investor's rights were not exercised, at a price not lower and upon general terms and conditions not materially more favorable to the purchasers thereof than specified in the Company's notice to the Major Investors pursuant to Section 4.2 hereof. If the Company has not sold such Equity Securities within ninety (90) days of the notice provided pursuant to Section 4.2, the Company shall not thereafter issue or sell any Equity Securities, without first offering such securities to the Major Investors in the manner provided above.

4.4 Termination and Waiver of Rights of First Refusal. The rights of first refusal established by this Section 4 shall not apply to, and shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering; provided that the rights of first refusal established by this Section 4 shall not apply to the Initial Offering (other than the investment right set forth in Section 4.7) or (ii) an Acquisition. Notwithstanding Section 6.5 hereof, the rights of first refusal established by this Section 4 may be amended, or any provision waived with and only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities held by all Major Investors, or as permitted by Section 6.5.

4.5 Assignment of Rights of First Refusal. The rights of first refusal of each Major Investor under this Section 4 may be assigned to the same parties, subject to the same restrictions as any transfer of registration rights pursuant to Section 2.9.

4.6 Excluded Securities. The rights of first refusal established by this Section 4 shall have no application to any of the following Equity Securities:

(a) shares of Common Stock and/or options, warrants or other Common Stock purchase rights and the Common Stock issued pursuant to such options, warrants or other rights issued or to be issued after the date hereof to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary of the Company, pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board of Directors;

(b) stock issued or issuable pursuant to any rights or agreements, options, warrants or convertible securities outstanding as of the date of this Agreement; and stock issued pursuant to any such rights or agreements granted after the date of this Agreement, so long as the rights of first refusal established by this Section 4 were complied with, waived, or were

inapplicable pursuant to any provision of this Section 4.6 with respect to the initial sale or grant by the Company of such rights or agreements;

(c) any Equity Securities issued for consideration other than cash pursuant to a merger, consolidation, acquisition or similar business combination approved by the Board of Directors;

(d) any Equity Securities issued in connection with any stock split, stock dividend or recapitalization by the Company;

(e) any Equity Securities issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement, or debt financing from a bank or similar financial or lending institution approved by the Board of Directors;

(f) any Equity Securities that are issued by the Company pursuant to a registration statement filed under the Securities Act;

(g) any Equity Securities issued in connection with strategic transactions involving the Company and other entities, including, without limitation (i) joint ventures, manufacturing, marketing or distribution arrangements or (ii) technology transfer or development arrangements; *provided* that the issuance of shares therein has been approved by the Company's Board of Directors;

(h) any Equity Securities issued by the Company pursuant to the terms of Section 2.3 of the Purchase Agreement.

4.7 IPO Investment Right. Subject to applicable securities laws, each Major Investor shall have a right to purchase shares of Class 2 Common Stock, in an amount equal to the dollar amount invested by such Major Investor under the Purchase Agreement, in connection with the Initial Offering. If the Company proposes to consummate an Initial Offering, it shall give each Major Investor written notice of its intention, describing the price and the material terms and conditions upon which the Company proposes to offer the shares of Class 2 Common Stock. Each Major Investor shall have fifteen (15) days from the giving of such notice to agree to purchase its share of the offered shares for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of shares of Class 2 Common Stock to be purchased. Notwithstanding the foregoing, the Company shall not be required to offer or sell such shares to any Major Investor who would cause the Company to be in violation of applicable securities laws by virtue of such offer or sale.

4.8 Tag-Along Rights.

(a) Other than in connection with a Transfer (as defined below) excluded by Section 4.8(g) below, if a Key Holder proposes to Transfer any Key Holder Shares then such Key Holder shall promptly give written notice (the "***Notice***") to each of the Major Investors at least thirty (30) days prior to the closing of such Transfer. The Notice shall describe in reasonable detail the proposed Transfer including, without limitation, the number of Key Holder Shares to be transferred, the nature of such Transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee. Each Major Investor shall have the

right, exercisable upon written notice to such Key Holder with a copy to the Company within fifteen (15) days after receipt of the Notice (the "***Tag-Along Period***"), to participate in such Transfer of Key Holder Shares on the same terms and conditions. Such notice shall indicate the number of Investor Shares up to that number of shares determined under Section 4.8(b) such Major Investor wishes to sell under his, her, or its right to participate. To the extent one or more of the Major Investors exercise such right of participation in accordance with the terms and conditions set forth below, the number of Key Holder Shares that such Key Holder may sell in the transaction shall be correspondingly reduced. For purposes of this Agreement, the term "***Transfer***" shall include any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by request, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any of the Key Holder Shares.

(b) Each Major Investor may sell all or any part of that number of shares equal to the product obtained by multiplying (i) the aggregate number of Key Holder Shares covered by the Notice by (ii) a fraction the numerator of which is the number of shares of Common Stock issued or issuable upon the conversion or exercise of Preferred Stock or other rights to acquire shares of Common Stock held by such Major Investor at the time of the Notice and the denominator of which is the total number of shares of Common Stock held by such Key Holder plus the number of shares of Common Stock issued or issuable upon the conversion or exercise of Preferred Stock or other rights to acquire shares of Common Stock held by all Major Investors at the time of the Notice.

(c) Each Major Investor who elects to participate in the Transfer pursuant to this Section 4.8 (a "***Tag-Along Participant***") shall effect its participation in the Transfer by promptly delivering to such Key Holder for transfer to the prospective purchaser one or more certificates, properly endorsed for transfer, which represent:

(i) the type and number of shares of Common Stock which such Tag-Along Participant elects to sell; or

(ii) that number of shares of Preferred Stock which is at such time convertible into the number of shares of Common Stock which such Tag-Along Participant elects to sell; provided, however, that if the prospective purchaser objects to the delivery of Preferred Stock in lieu of Common Stock, such Tag-Along Participant shall convert such Preferred Stock into Common Stock and deliver Common Stock as provided in Section 4.8(c)(i) above. The Company agrees to make any such conversion concurrent with and contingent upon the actual transfer of such shares to the purchaser.

(d) The stock certificate or certificates that the Tag-Along Participant delivers to such Key Holder pursuant to Section 4.8(c) shall be transferred to the prospective purchaser in consummation of the sale of the Common Stock pursuant to the terms and conditions specified in the Notice, and the Key Holder shall concurrently therewith remit to such Tag-Along Participant that portion of the sale proceeds to which such Tag-Along Participant is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase shares or other securities from a Tag-Along

Participant exercising its tag-along rights hereunder, such Key Holder shall not sell to such prospective purchaser or purchasers any Key Holder Shares unless and until, simultaneously with such sale, such Key Holder shall purchase such shares or other securities from such Tag-Along Participant on the same terms and conditions specified in the Notice.

(e) The exercise or non-exercise of the rights of any Major Investor hereunder to participate in one or more Transfers of Key Holder Shares made by any Key Holder shall not adversely affect his right to participate in subsequent Transfers of Key Holder Shares subject to this Section 4.8.

(f) To the extent that the Major Investors do not elect to participate in the sale of the Key Holder Shares subject to the Notice, such Key Holder may, not later than ninety (90) days following delivery to the Company of the Notice, enter into an agreement providing for the closing of the Transfer of such Key Holder Shares covered by the Notice within thirty (30) days of such agreement on terms and conditions not materially more favorable to the transferor than those described in the Notice. Any proposed Transfer on terms and conditions materially more favorable than those described in the Notice, as well as any subsequent proposed Transfer of any Key Holder Shares by a Key Holder, shall again be subject to the tag-along rights of the Major Investors and shall require compliance by a Key Holder with the procedures described in this Section 4.8.

(g) Notwithstanding the foregoing, the notice and tag-along rights of the Major Investors set forth in this Section 4.8 above shall not apply to (i) any transfer or transfers by a Key Holder which in the aggregate, over the term of this Agreement, amount to no more than five percent (5%) of the Key Holder Shares held by a Key Holder as of the date such Key Holder first became party to this Agreement, (ii) any transfer without consideration to such Key Holder's ancestors, descendants or spouse or to trusts for the benefit of such persons or such Key Holder, (iii) any transfer or transfers by a Key Holder to another Key Holder (the "***Transferee-Key Holder***"), (iv) any pledge of Key Holder Shares made pursuant to a *bona fide* loan transaction that creates a mere security interest, or (v) transfers to affiliates of such Key Holder. Except with respect to Key Holder Shares transferred under clause (i) above (which Key Holder Shares shall no longer be subject to the tag-along rights of the Investors set forth in this Agreement), such transferred Key Holder Shares shall remain "Key Holder Shares" hereunder, and such pledgee, transferee or donee shall be treated as the "Key Holder" for purposes of this Agreement.

(h) The tag-along rights established by this Section 4.8 shall not apply to, and shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering (and shall not apply to any shares sold in the Initial Offering) or (ii) an Acquisition. Notwithstanding Section 6.5 hereof, the tag-along rights established by this Section 4.8 may be amended, or any provision waived with and only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities held by all Major Investors, or as permitted by Section 6.5

SECTION 5. VOTING.

5.1 Change of Control. In the event that holders of a majority of the Class 1 Common Stock, Class 2 Common Stock, and Preferred Stock of the Company, voting together on an as-converted basis, (the "***Requisite Stockholders***") approve a sale of the Company or all or substantially all of the Company's assets (an "***Approved Sale***") whether by means of a merger, consolidation or sale of stock or assets, or otherwise, (i) if the Approved Sale is structured as a merger or consolidation of the Company, or a sale of all or substantially all of the Company's assets, each Investor and Key Holder agrees to be present, in person or by proxy, at all meetings for the vote thereon, to vote all shares of capital stock held by such person for and raise no objections to such Approved Sale, and waive and refrain from exercising any dissenters rights, appraisal rights or similar rights in connection with such merger, consolidation or asset sale, or (ii) if the Approved Sale is structured as a sale of the stock of the Company, the Investors and the Key Holders shall each agree to sell their Registrable Securities on the terms and conditions approved by the Requisite Stockholders; provided in each case that such terms do not provide that such Investor would receive as a result of such Approved Sale less than the amount that would be distributed to such Investor or Key Holder in the event the proceeds of such Approved Sale were distributed in accordance with the liquidation preferences set forth in Company's Certificate of Incorporation. The Investors and Key Holders shall each take all necessary and desirable actions approved by the Requisite Stockholders in connection with the consummation of the Approved Sale, including the execution of such agreements and such instruments and other actions reasonably necessary to (i) provide the representations, warranties, indemnities, covenants, conditions, non-compete agreements, escrow agreements and other provisions and agreements relating to such Approved Sale and (ii) effectuate the allocation and distribution of the aggregate consideration upon the Approved Sale.

5.2 Irrevocable Proxy. To secure the Investors' and Key Holders' obligations to vote the Registrable Securities in accordance with this Section 5, each Investor and Key Holder hereby appoints the Chief Executive Officer of the Company or his or her designees, as such Investor's or Key Holder's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to vote all of such Registrable Securities as set forth in this Section 5 and to execute all appropriate instruments consistent with this Section 5 on behalf of such Investor or Key Holder if, and only if, such Investor or Key Holder fails to vote all of such Registrable Securities or execute such other instruments in accordance with the provisions of this Agreement within five (5) days of the Company's or any other party's written request for such Investor's or Key Holder's written consent or signature. The proxy and power granted by each Investor and Key Holder pursuant to this Section 5 are coupled with an interest and are given to secure the performance of such party's duties under this Agreement. Each such proxy and power will be irrevocable for the term hereof. The proxy and power, so long as any party hereto is an individual, will survive the death, incompetency and disability of such party or any other individual holder of the Registrable Securities, as the case may be, and, so long as any party hereto is an entity, will survive the merger or reorganization of such party or any other entity holding any Registrable Securities.

5.3 Legend.

(a) Concurrently with the execution of this Agreement, there shall be imprinted or otherwise placed, on certificates representing the Key Holder Shares and Investor Shares the following restrictive legend (the "***Legend***"):

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF A VOTING AGREEMENT WHICH PLACES CERTAIN RESTRICTIONS ON THE VOTING OF THE SHARES REPRESENTED HEREBY. ANY PERSON ACCEPTING ANY INTEREST IN SUCH SHARES SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SUCH AGREEMENT. A COPY OF SUCH VOTING AGREEMENT WILL BE FURNISHED TO THE RECORD HOLDER OF THIS CERTIFICATE WITHOUT CHARGE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS."

(b) The Company agrees that, during the term of this Agreement, it will not remove, and will not permit to be removed (upon registration of transfer, reissuance of otherwise), the Legend from any such certificate and will place or cause to be placed the Legend on any new certificate issued to represent Key Holder Shares or Investor Shares theretofore represented by a certificate carrying the Legend. If at any time or from time to time any Key Holder or Investor holds any certificate representing shares of the Company's capital stock not bearing the aforementioned legend, such Key Holder or Investor agrees to deliver such certificate to the Company promptly to have such legend placed on such certificate.

5.4 Successors. The provisions of this Agreement shall be binding upon the successors in interest to any of the Key Holder Shares or Investor Shares. The Company shall not permit the transfer of any of the Key Holder Shares or Investor Shares on its books or issue a new certificate representing any of the Key Holder Shares or Investor Shares unless and until the person to whom such security is to be transferred shall have executed a written agreement, substantially in the form of this Agreement, pursuant to which such person becomes a party to this Agreement and agrees to be bound by all the provisions hereof as if such person were a Key Holder or Investor, as applicable.

5.5 Other Rights. Except as provided by this Agreement or any other agreement entered into in connection with the Financing, each Key Holder and Investor shall exercise the full rights of a holder of shares of capital stock of the Company with respect to the Key Holder Shares and the Investor Shares, respectively.

5.6 Termination. The obligations established by this Section 5 shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering or (ii) immediately following an Acquisition.

SECTION 6. MISCELLANEOUS.

6.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and to be performed entirely within Delaware, without reference to conflicts of laws or principles thereof. The parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby

submit to the jurisdiction and venue of, any state or federal court located in the County of King, Washington, United States.

6.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors, assigns, heirs, executors, and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of Registrable Securities from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price.

6.3 Entire Agreement. This Agreement and Schedules hereto, the Purchase Agreement and the other documents delivered pursuant thereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein. Each party expressly represents and warrants that it is not relying on any oral or written representations, warranties, covenants or agreements outside of this Agreement.

6.4 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.5 Amendment and Waiver.

(a) Except as otherwise expressly provided, this Agreement may be amended or modified, and the obligations of the Company and the rights of the Holders and Key Holders under this Agreement may be waived, only upon the written consent of (i) the Company, (ii) the holders of at least a majority of the then-outstanding Registrable Securities, and (iii) the holders of a majority of the Key Holder Shares. Notwithstanding the foregoing, pursuant to Section 5.4 of this Agreement, this Agreement may be amended to add holders of additional holders of Common Stock or Preferred Stock as "Investors" hereunder by an instrument in writing signed by the Company and such holders.

(b) For the purposes of determining the number of Holders or Investors entitled to vote or exercise any rights hereunder, the Company shall be entitled to rely solely on the list of record holders of its stock as maintained by or on behalf of the Company.

6.6 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further

agreed that any waiver, permit, consent, or approval of any kind or character on any party's part of any breach, default or noncompliance under the Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

6.7 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address as set forth on the signature pages hereof or at such other address or electronic mail address as such party may designate by ten (10) days advance written notice to the other parties hereto.

6.8 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

6.9 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.10 Additional Shares. In the event that subsequent to the date of this Agreement any shares or other securities are issued on, or in exchange for, any of the Key Holder Shares or Investor Shares by reason of any stock dividend, stock split, combination of shares, reclassification or the like, such shares or securities shall be deemed to be Key Holder Shares or Investor Shares, as the case may be, for purposes of this Agreement.

6.11 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company shall issue additional shares of its Preferred Stock pursuant to the Purchase Agreement, any purchaser of such shares of Preferred Stock shall become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "***Investor***," a "***Holder***" and a party hereunder. Notwithstanding anything to the contrary contained herein, if the Company shall issue Equity Securities in accordance with Section 4.6 (c), (e) or (h) of this Agreement, any purchaser of such Equity Securities may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "***Investor***," a "***Holder***" and a party hereunder.

6.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

6.13 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities or persons or persons or entities under common management or control shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

6.14 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

6.15 Termination. This Agreement shall terminate and be of no further force or effect upon the earlier of (i) an Acquisition; or (ii) the date three (3) years following the closing of the Initial Offering that results in the conversion of all outstanding shares of Preferred Stock.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

COMPANY:

TILRAY, INC.

By:_____

Name:_____

Title:_____

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

INVESTORS:

Anson Investments Master Fund LP

By: _____

Name: Moez Kassam

Title: Director, Anson Advisors Inc, Co-Investment Advisor

Address: 155 University Ave, Suite 207

Toronto, ON, M5H 3B7

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

KEY HOLDERS:

PRIVATEER HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Address: _____

_____

_____

EXHIBIT A

LIST OF KEY HOLDERS

Privateer Holdings, Inc.

EXECUTION VERSION

TILRAY, INC.

INVESTOR RIGHTS AGREEMENT

TILRAY, INC.

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (the "***Agreement***") is entered into as of February __, 2018, by and among **TILRAY, INC.**, a Delaware corporation (the "***Company***") and the investors set forth on the signature pages hereto, referred to hereinafter as (together, the "***Investors***" and each individually as an "***Investor***") and those certain holders of the Company's Common Stock listed on **Exhibit A** hereto (the "***Key Holders***")

RECITALS

WHEREAS, the Investors are purchasing shares of the Company's Series A Preferred Stock (the "***Series A Stock***" or the "***Preferred Stock***") pursuant to that certain Series A Preferred Stock Purchase Agreement (the "***Purchase Agreement***") of even date herewith; (the "***Financing***").

WHEREAS, the obligations in the Purchase Agreement are conditioned upon the execution and delivery of this Agreement; and

WHEREAS, in connection with the consummation of the Financing, the parties desire to enter into this Agreement in order to grant registration, information rights and other rights to the Investors as set forth below.

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. GENERAL.

1.1 Definitions. As used in this Agreement the following terms shall have the following respective meanings:

(a) "***Common Stock***" means the Company's Class 1 Common Stock, Class 2 Common Stock, and Class 3 Common Stock, collectively.

(b) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(c) "***Form S-3***" means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(d) "***Holder***" means any person owning of record Registrable Securities that have not been sold to the public or any assignee of record of such Registrable Securities in accordance with Section 2.9 hereof.

(e) "***Initial Offering***" means the Company's first firm commitment underwritten public offering of its Common Stock registered under the Securities Act.

(f) "***Investor Shares***" means all shares of voting capital stock of the Company (including but not limited to all shares of Class 2 Common Stock issued or issuable upon conversion of the Shares) registered in an Investor's name or beneficially owned by such Investor as of the date hereof and any and all other securities of the Company legally or beneficially acquired by such Investor after the date hereof.

(g) "***Key Holder Shares***" means all shares of voting capital stock of the Company registered in a Key Holder's name or beneficially owned by such Key Holder as of the date hereof and any and all other securities of the Company legally or beneficially acquired by such Key Holder after the date hereof.

(h) "***Major Investor***" means an Investor (with its affiliates) who owns not less than Five Hundred Sixty-Three Thousand Five Hundred Twenty-Six (563,526) Shares (as adjusted for stock splits and combinations).

(i) "***Register***," "***registered***," and "***registration***" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(j) "***Registrable Securities***" means (a) Common Stock of the Company issuable or issued upon conversion of the Shares and (b) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such above-described securities. Notwithstanding the foregoing, Registrable Securities shall not include any securities (i) sold by a person to the public either pursuant to a registration statement or Rule 144 or (ii) sold in a private transaction in which the transferor's rights under Section 2 of this Agreement are not assigned.

(k) "***Registrable Securities then outstanding***" shall be the number of shares of the Company's Common Stock that are Registrable Securities and either (a) are then issued and outstanding or (b) are issuable pursuant to then exercisable or convertible securities.

(l) "***Registration Expenses***" shall mean all expenses incurred by the Company in complying with Sections 2.2, 2.3 and 2.4 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, reasonable fees and disbursements not to exceed twenty-five thousand dollars (C$25,000) of a single special counsel for the Holders, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(m) "***SEC***" or "***Commission***" means the Securities and Exchange Commission.

(n) "***Securities Act***" shall mean the Securities Act of 1933, as amended.

(o) "***Selling Expenses***" shall mean all underwriting discounts and selling commissions applicable to the sale.

(p) "***Shares***" shall mean the Series A Stock held from time to time by the Investors and their permitted assigns.

(q) "***Special Registration Statement***" shall mean (i) a registration statement relating to any employee benefit plan or (ii) with respect to any corporate reorganization or transaction under Rule 145 of the Securities Act, any registration statements related to the issuance or resale of securities issued in such a transaction or (iii) a registration related to stock issued upon conversion of debt securities.

SECTION 2. REGISTRATION; RESTRICTIONS ON TRANSFER.

2.1 Restrictions on Transfer.

(a) Each Holder agrees not to make any disposition of all or any portion of the Shares or Registrable Securities unless and until:

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) (A) The transferee has agreed in writing to be bound by the terms of this Agreement, (B) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and (C) if reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Securities Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144, except in unusual circumstances. After its Initial Offering, the Company will not require any transferee pursuant to Rule 144 to be bound by the terms of this Agreement if the shares so transferred do not remain Registrable Securities hereunder following such transfer.

(b) Notwithstanding the provisions of subsection (a) above, no such restriction shall apply to a transfer by a Holder that is (A) a partnership transferring to its partners or former partners in accordance with partnership interests, (B) a corporation transferring to a wholly-owned subsidiary or a parent corporation that owns all of the capital stock of the Holder, (C) a limited liability company transferring to its members or former members in accordance with their interest in the limited liability company, (D) an individual transferring to the Holder's family member or trust for the benefit of an individual Holder or (E) an affiliate of such Holder; *provided* that in each case the transferee will agree in writing to be subject to the terms of this Agreement to the same extent as if he were an original Holder hereunder.

(c) Each certificate representing Shares or Registrable Securities shall be stamped or otherwise imprinted with legends substantially similar to the following (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "***ACT***") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN INVESTOR RIGHTS AGREEMENT BY AND BETWEEN THE STOCKHOLDER AND THE COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(d) The Company shall be obligated to reissue promptly unlegended certificates at the request of any Holder thereof if the Company has completed its Initial Offering and the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification and legend, *provided that* the second legend listed above shall be removed only at such time as the Holder of such certificate is no longer subject to any restrictions hereunder.

(e) Any legend endorsed on an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal.

2.2 Demand Registration.

(a) Subject to the conditions of this Section 2.2, if the Company shall receive a written request from the Holders of a majority of the Registrable Securities (the "***Initiating Holders***") that the Company file a registration statement under the Securities Act covering the registration of at least a majority of the Registrable Securities then outstanding, then the Company shall, within thirty (30) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 2.2, effect, as expeditiously as reasonably possible, the registration under the Securities Act of all Registrable Securities that all Holders request to be registered.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.2 or any request pursuant to Section 2.4 and the Company shall include such information in the written notice referred to in Section 2.2(a) or

Section 2.4(a), as applicable. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities held by all Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 2.2 or Section 2.4, if the underwriter advises the Company that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities) then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities on a *pro rata* basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders); provided that to the extent other shares of the Company are included in any such registration statement, 100% of such other shares must be excluded before any Registrable Securities are excluded. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 2.2:

(i) prior to the earlier of (A) December 31, 2018 or (B) of the expiration of the restrictions on transfer set forth in Section 2.11 following the Initial Offering;

(ii) after the Company has effected two (2) registrations pursuant to this Section 2.2, and such registrations have been declared or ordered effective;

(iii) during the period starting with the date of filing of, and ending on the date one hundred eighty (180) days following the effective date of the registration statement pertaining to a public offering, other than pursuant to a Special Registration Statement; *provided* that the Company makes reasonable good faith efforts to cause such registration statement to become effective;

(iv) if within thirty (30) days of receipt of a written request from Initiating Holders pursuant to Section 2.2(a), the Company gives notice to the Holders of the Company's intention to file a registration statement for a public offering, other than pursuant to a Special Registration Statement within ninety (90) days, provided if the Company shall not have actually filed a registration statement within such ninety (90) day period, then the Initiating Holders shall be permitted to make a new request and the Company will not be entitled to block such request pursuant to this clause (iv);

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.2 a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of

not more than ninety (90) days after receipt of the request of the Initiating Holders; *provided* that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period;

(vi) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.4 below; or

(vii) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

2.3 Piggyback Registrations. The Company shall notify all Holders of Registrable Securities in writing at least fifteen (15) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding Special Registration Statements) and will afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities by such Holder. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) Underwriting. If the registration statement of which the Company gives notice under this Section 2.3 is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to include Registrable Securities in a registration pursuant to this Section 2.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Agreement, if the Company determines in good faith, based on consultation with the underwriter, that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the underwriting shall be allocated, first, to the Company; second, to the Holders on a *pro rata* basis based on the total number of Registrable Securities held by the Holders; and third, to any stockholder of the Company (other than a Holder) on a *pro rata* basis; provided, however, that no such reduction shall reduce the amount of securities of the selling Holders included in the registration below thirty percent (30%) of the total amount of securities included in such registration, unless such offering is the Initial Offering and such registration does not include shares of any other selling stockholders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding clause. In no event

will shares of any other selling stockholder be included in such registration that would reduce the number of shares which may be included by Holders without the written consent of Holders of not less than a majority of the Registrable Securities proposed to be sold in the offering. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder which is a partnership, limited liability company or corporation, the partners, retired partners, members, retired members and stockholders of such Holder, or the estates and family members of any such partners, retired partners, members and retired members and any trusts for the benefit of any of the foregoing person shall be deemed to be a single "Holder," and any *pro rata* reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.3 whether or not any Holder has elected to include securities in such registration, and shall promptly notify any Holder that has elected to include shares in such registration of such termination or withdrawal. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.5 hereof.

2.4 Form S-3 Registration. In case the Company shall receive from any Holder or Holders of Registrable Securities a written request or requests that the Company effect a registration on Form S-3 (or any successor to Form S-3) or any similar short-form registration statement and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.4:

(i) if Form S-3 is not available for such offering by the Holders, or

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than one million dollars (C$1,000,000), or

(iii) if within thirty (30) days of receipt of a written request from any Holder or Holders pursuant to this Section 2.4, the Company gives notice to such Holder or Holders of the Company's intention to make a public offering within ninety (90) days, other than pursuant to a Special Registration Statement, provided if the Company shall not have actually filed a registration statement within such ninety (90) day period, then the Initiating Holders shall be permitted to make a new request and the Company will not be entitled to block such request pursuant to this clause (iii);

(iv) if the Company shall furnish to the Holders a certificate signed by the Chairman of the Board of Directors of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 2.4; *provided*, that such right to delay a request shall be exercised by the Company not more than twice in any twelve (12) month period, or

(v) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 for the Holders pursuant to this Section 2.4, or

(vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a Form S-3 registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the requests of the Holders. Registrations effected pursuant to this Section 2.4 shall not be counted as demands for registration or registrations effected pursuant to Section 2.2.

2.5 Expenses of Registration. Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 2.2, 2.3 or 2.4 herein shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder, shall be borne by the holders of the securities so registered *pro rata* on the basis of the number of shares so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 2.2 or 2.4, the request of which has been subsequently withdrawn by the Initiating Holders unless (a) the withdrawal is based upon material adverse information concerning the Company of which the Initiating Holders were not aware at the time of such request or (b) the Holders of a majority of Registrable Securities agree to deem such registration to have been effected as of the date of such withdrawal for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c) or 2.4(b)(v), as applicable, to undertake any subsequent registration, in which event such right shall be forfeited by all Holders. If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay

the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then such registration shall not be deemed to have been effected for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c) or 2.4(b)(v), as applicable, to undertake any subsequent registration.

2.6 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to one hundred twenty (120) days or, if earlier, until the Holder or Holders have completed the distribution related thereto; provided, however, that at any time, upon written notice to the participating Holders and for a period not to exceed sixty (60) days thereafter (the "***Suspension Period***"), the Company may delay the filing or effectiveness of any registration statement or suspend the use or effectiveness of any registration statement (and the Initiating Holders hereby agree not to offer or sell any Registrable Securities pursuant to such registration statement during the Suspension Period) if the Company reasonably believes that there is or may be in existence material nonpublic information or events involving the Company, the failure of which to be disclosed in the prospectus included in the registration statement could result in a Violation (as defined below). In the event that the Company shall exercise its right to delay or suspend the filing or effectiveness of a registration hereunder, the applicable time period during which the registration statement is to remain effective shall be extended by a period of time equal to the duration of the Suspension Period. The Company may extend the Suspension Period for an additional consecutive sixty (60) days with the consent of the holders of a majority of the Registrable Securities registered under the applicable registration statement, which consent shall not be unreasonably withheld. If so directed by the Company, all Holders registering shares under such registration statement shall (i) not offer to sell any Registrable Securities pursuant to the registration statement during the period in which the delay or suspension is in effect after receiving notice of such delay or suspension; and (ii) use their best efforts to deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holders' possession, of the prospectus relating to such Registrable Securities current at the time of receipt of such notice. Notwithstanding the foregoing, the Company shall not be required to file, cause to become effective or maintain the effectiveness of any registration statement other than a registration statement on Form S-3 that contemplates a distribution of securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other

documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company will use reasonable efforts to amend or supplement such prospectus in order to cause such prospectus not to include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Use its reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering addressed to the underwriters.

2.7 Delay of Registration; Furnishing Information.

(a) No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.2, 2.3 or 2.4 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities.

(c) The Company shall have no obligation with respect to any registration requested pursuant to Section 2.2 or Section 2.4 if the number of shares or the anticipated

aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in Section 2.2 or Section 2.4, whichever is applicable.

2.8 Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 2.2, 2.3 or 2.4:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers and directors of each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "***Violation***") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder, partner, member, officer, director, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided however*, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, member, officer, director, underwriter or controlling person of such Holder.

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, its officers and each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors or officers or any person who controls such Holder, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, controlling person, underwriter or other such Holder, or partner, director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any of the

following statements: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act (collectively, a "***Holder Violation***"), in each case to the extent (and only to the extent) that such Holder Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder and stated to be specifically for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, or partner, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action if it is judicially determined that there was such a Holder Violation; *provided, however,* that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; *provided further*, that in no event shall any indemnity under this Section 2.8 exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however,* that an indemnified party shall have the right to retain its own counsel, with the fees and expenses thereof to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8 to the extent, and only to the extent, prejudicial to its ability to defend such action, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) If the indemnification provided for in this Section 2.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) or Holder Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the

indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; *provided*, *that* in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder.

(e) The obligations of the Company and Holders under this Section 2.8 shall survive completion of any offering of Registrable Securities in a registration statement and, with respect to liability arising from an offering to which this Section 2.8 would apply that is covered by a registration filed before termination of this Agreement, such termination. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

2.9 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned by a Holder to a transferee or assignee of Registrable Securities (for so long as such shares remain Registrable Securities) that (a) is a subsidiary, parent, general partner, limited partner, retired partner, member or retired member, or stockholder of a Holder that is a corporation, partnership or limited liability company, (b) is a Holder's family member or trust for the benefit of an individual Holder, or (c) acquires at least Five Hundred Sixty-Three Thousand Five Hundred Twenty-Six (563,526) shares of Registrable Securities (as adjusted for stock splits and combinations); or (d) is an entity affiliated by common control (or other related entity) with such Holder *provided, however,* (i) the transferor shall, within ten (10) days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (ii) such transferee shall agree to be subject to all restrictions set forth in this Agreement.

2.10 Limitation on Subsequent Registration Rights. Other than as provided in Section 2.14, after the date of this Agreement, the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company that would grant such holder rights to demand the registration of shares of the Company's capital stock, or to include such shares in a registration statement that would reduce the number of shares includable by the Holders.

2.11 Market Stand-Off Agreement. Each Holder hereby agrees that such Holder shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration, i.e. shares purchased in the Initial Offering) during the 180-day period following the effective date of the Initial Offering; provided, that all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements.

2.12 Agreement to Furnish Information. Each Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the managing underwriters that are consistent with the Holder's obligations under Section 2.11 or that are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in Section 2.11 and this Section 2.12 shall not apply to a Special Registration Statement. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to such shares of Common Stock (or other securities) until the end of such period. Each Holder agrees that any transferee of any shares of Registrable Securities shall be bound by Sections 2.11 and 2.12. The underwriters of the Company's stock are intended third party beneficiaries of Sections 2.11 and 2.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

2.13 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) Make and keep public information available, as those terms are understood and defined in SEC Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 of the Securities Act, and of the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company filed with the Commission; and such other reports and documents as a Holder may reasonably request in connection with availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

2.14 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.2, Section 2.3, or Section 2.4 hereof shall terminate upon the earlier of: (i) the date five (5) years following an initial public offering that results in the conversion of all outstanding shares of Preferred Stock; or (ii) such time as such Holder holds less than one percent (1%) of the Company's outstanding shares of Common Stock (treating all shares of Preferred Stock on an as converted basis), the Company has completed its Initial Offering and all Registrable Securities of the Company issuable or issued upon conversion of the Shares held by and issuable to such Holder (and its affiliates) may be sold pursuant to Rule 144 during any ninety (90) day period. Upon such termination, such shares shall cease to be "Registrable Securities" hereunder for all purposes.

2.15 Rule144A Information Rights. So long as the Company is not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act, the Company shall provide the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to a Holder upon such Holder's request.

SECTION 3. COVENANTS OF THE COMPANY.

3.1 Basic Financial Information and Reporting.

(a) The Company will maintain true books and records of account in which full and correct entries will be made of all its business transactions pursuant to a system of accounting established and administered in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof), and will set aside on its books all such proper accruals and reserves as shall be required under generally accepted accounting principles consistently applied.

(b) To the extent requested by an Investor, as soon as practicable after the end of each fiscal year of the Company, and in any event within one hundred twenty (120) days thereafter, the Company will furnish such Investor a balance sheet of the Company, as at the end of such fiscal year, and a statement of income and a statement of cash flows of the Company, for such year, all prepared in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof) and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail. Such financial statements shall be accompanied by a report and opinion thereon by independent public accountants selected by the Company's Board of Directors.

(c) To the extent requested by a Major Investor, the Company will furnish such Major Investor, as soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, and in any event within forty-five (45) days thereafter, a balance sheet of the Company as of the end of each such quarterly period, and a statement of income and a statement of cash flows of the Company for such period and for the current fiscal year to date, prepared in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof), with the exception that no notes need be attached to such statements and year-end audit adjustments may not have been made.

(d) To the extent requested by a Major Investor, the Company will furnish to such Major Investor an annual budget for the upcoming fiscal year.

3.2 Inspection Rights. Each Major Investor shall have the right to visit and inspect any of the properties of the Company or any of its subsidiaries, and to discuss the affairs, finances and accounts of the Company or any of its subsidiaries with its officers, and to review such information as is reasonably requested all at such reasonable times and as often as may be reasonably requested; *provided, however,* that the Company shall not be obligated under this Section 3.2 with respect to a competitor of the Company or with respect to information which the Board of Directors determines in good faith is confidential or attorney-client privileged and should not, therefore, be disclosed.

3.3 Confidentiality of Records. Each Investor agrees to use the same degree of care as such Investor uses to protect its own confidential information to keep confidential any information furnished to such Investor hereof that the Company identifies as being confidential or proprietary (so long as such information is not in the public domain), except that such Investor may disclose such proprietary or confidential information (i) to any partner, subsidiary or parent of such Investor as long as such partner, subsidiary or parent is advised of and agrees or has agreed to be bound by the confidentiality provisions of this Section 3.3 or comparable restrictions; (ii) at such time as it enters the public domain through no fault of such Investor; (iii) that is communicated to it free of any obligation of confidentiality; (iv) that is developed by Investor or its agents independently of and without reference to any confidential information communicated by the Company; (v) to a third party who is a bona fide prospective purchaser ("***Prospective Purchaser***") of such Investor's Investor Shares as long as (1) such Prospective Purchaser is advised of and agrees or has agreed to be bound by the confidentiality provisions of this Section 3.3 or comparable restrictions, (2) such Prospective Purchaser is not a competitor of the Company or is not a company operating in the cannabis or cannabis-related sectors or, to Investor's knowledge after reasonable investigation, an investor with investments in the cannabis or cannabis-related sectors (and the foregoing shall include any individual or entity affiliated with any Prospective Purchaser who meets the foregoing disqualifying criteria) unless the Company provides its prior written consent, which consent shall not be unreasonably withheld, (3) such Investor promptly informs the Company of any disclosure to a Prospective Purchaser and identifies the Prospective Purchaser, or (vi) as required by applicable law.

3.4 Reservation of Common Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Preferred Stock, all shares of Class 2 Common Stock issuable from time to time upon such conversion.

3.5 Operating Covenants Related to Key Holder Activities. For so long as at least one million (1,000,000) shares of Preferred Stock (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof) remain outstanding, without the prior written consent of the holders of a majority of the outstanding Preferred Stock (which shall not be unreasonably withheld):

(a) The Company will not repurchase shares of Common Stock from any Key Holder or entity affiliated with any Key Holder;

(b) The Company will not be sold to or merge with any Key Holder or entity affiliated with any Key Holder;

(c) The Company will not issue shares of Company capital stock to any Key Holder or entity affiliated with any Key Holder (provided the foregoing shall not apply to any equity awards from the Company's equity incentive plans which may be issued to individuals affiliated with any Key Holder);

(d) The Company will not borrow money from any Key Holder or entity affiliated with any Key Holder in excess of CDN$10,000,000

(e) The Company will not sell or otherwise transfer any material assets to any Key Holder or entity affiliated with any Key Holder; and

(f) The Key Holder will only produce and distribute medical cannabis outside of the United States through the Company (provided the foregoing restriction does not apply to the operations of Leafly, Inc.'s ecommerce platform).

The foregoing restrictions shall apply after the closing of the Financing and shall not apply to any the various intercompany arrangements and transactions which have occurred prior to the closing.

3.6 Termination of Covenants. All covenants of the Company contained in Section 3 of this Agreement (other than the provisions of Section 3.3) shall expire and terminate as to each Investor upon the earlier of (i) the effective date of the registration statement pertaining to an Initial Offering that results in the Preferred Stock being converted into shares of Class 2 Common Stock or (ii) upon an "***Acquisition***" as defined in the Company's Certificate of Incorporation as in effect as of the date hereof.

SECTION 4. RIGHTS OF FIRST REFUSAL.

4.1 Subsequent Offerings. Subject to applicable securities laws, each Major Investor shall have a right of first refusal to purchase its *pro rata* share of all Equity Securities, as defined below, that the Company may, from time to time, propose to sell and issue after the date of this Agreement, other than the Equity Securities excluded by Section 4.6 hereof. Each Major Investor's *pro rata* share is equal to the ratio of (a) the number of shares of the Company's Common Stock (including all shares of Class 2 Common Stock issuable or issued upon conversion of the Shares or shares of Common Stock issuable or issued upon the exercise of outstanding warrants or options) of which such Major Investor is deemed to be a holder immediately prior to the issuance of such Equity Securities to (b) the total number of the Company's outstanding shares of Common Stock (including all shares of Class 2 Common Stock issuable or issued upon conversion of the Shares or shares of Common Stock issuable or issued upon the exercise of outstanding warrants or options) immediately prior to the issuance of the Equity Securities. The term "***Equity Securities***" shall mean (i) any Common Stock, Preferred Stock or other security of the Company, (ii) any security convertible into or exercisable or exchangeable for, with or without consideration, any Common Stock, Preferred Stock or other security (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Common Stock, Preferred Stock or other security or (iv) any such warrant or right.

4.2 Exercise of Rights. If the Company proposes to issue any Equity Securities, it shall give each Major Investor written notice of its intention, describing the Equity Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Major Investor shall have fifteen (15) days from the giving of such notice to agree to purchase its *pro rata* share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of Equity Securities to be purchased. At the expiration of such fifteen (15) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to

it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the five (5) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the Equity Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the relative *pro rata* shares of all such Fully Exercising Investors who wish to purchase such unsubscribed shares. Notwithstanding the foregoing, the Company shall not be required to offer or sell such Equity Securities to any Major Investor who would cause the Company to be in violation of applicable federal securities laws by virtue of such offer or sale.

4.3 Issuance of Equity Securities to Other Persons. The Company shall have ninety (90) days thereafter to sell the Equity Securities in respect of which the Major Investor's rights were not exercised, at a price not lower and upon general terms and conditions not materially more favorable to the purchasers thereof than specified in the Company's notice to the Major Investors pursuant to Section 4.2 hereof. If the Company has not sold such Equity Securities within ninety (90) days of the notice provided pursuant to Section 4.2, the Company shall not thereafter issue or sell any Equity Securities, without first offering such securities to the Major Investors in the manner provided above.

4.4 Termination and Waiver of Rights of First Refusal. The rights of first refusal established by this Section 4 shall not apply to, and shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering; provided that the rights of first refusal established by this Section 4 shall not apply to the Initial Offering (other than the investment right set forth in Section 4.7) or (ii) an Acquisition. Notwithstanding Section 6.5 hereof, the rights of first refusal established by this Section 4 may be amended, or any provision waived with and only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities held by all Major Investors, or as permitted by Section 6.5.

4.5 Assignment of Rights of First Refusal. The rights of first refusal of each Major Investor under this Section 4 may be assigned to the same parties, subject to the same restrictions as any transfer of registration rights pursuant to Section 2.9.

4.6 Excluded Securities. The rights of first refusal established by this Section 4 shall have no application to any of the following Equity Securities:

(a) shares of Common Stock and/or options, warrants or other Common Stock purchase rights and the Common Stock issued pursuant to such options, warrants or other rights issued or to be issued after the date hereof to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary of the Company, pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board of Directors;

(b) stock issued or issuable pursuant to any rights or agreements, options, warrants or convertible securities outstanding as of the date of this Agreement; and stock issued pursuant to any such rights or agreements granted after the date of this Agreement, so long as the rights of first refusal established by this Section 4 were complied with, waived, or were

inapplicable pursuant to any provision of this Section 4.6 with respect to the initial sale or grant by the Company of such rights or agreements;

(c) any Equity Securities issued for consideration other than cash pursuant to a merger, consolidation, acquisition or similar business combination approved by the Board of Directors;

(d) any Equity Securities issued in connection with any stock split, stock dividend or recapitalization by the Company;

(e) any Equity Securities issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement, or debt financing from a bank or similar financial or lending institution approved by the Board of Directors;

(f) any Equity Securities that are issued by the Company pursuant to a registration statement filed under the Securities Act;

(g) any Equity Securities issued in connection with strategic transactions involving the Company and other entities, including, without limitation (i) joint ventures, manufacturing, marketing or distribution arrangements or (ii) technology transfer or development arrangements; *provided* that the issuance of shares therein has been approved by the Company's Board of Directors;

(h) any Equity Securities issued by the Company pursuant to the terms of Section 2.3 of the Purchase Agreement.

4.7 IPO Investment Right. Subject to applicable securities laws, each Major Investor shall have a right to purchase shares of Class 2 Common Stock, in an amount equal to the dollar amount invested by such Major Investor under the Purchase Agreement, in connection with the Initial Offering. If the Company proposes to consummate an Initial Offering, it shall give each Major Investor written notice of its intention, describing the price and the material terms and conditions upon which the Company proposes to offer the shares of Class 2 Common Stock. Each Major Investor shall have fifteen (15) days from the giving of such notice to agree to purchase its share of the offered shares for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of shares of Class 2 Common Stock to be purchased. Notwithstanding the foregoing, the Company shall not be required to offer or sell such shares to any Major Investor who would cause the Company to be in violation of applicable securities laws by virtue of such offer or sale.

4.8 Tag-Along Rights.

(a) Other than in connection with a Transfer (as defined below) excluded by Section 4.8(g) below, if a Key Holder proposes to Transfer any Key Holder Shares then such Key Holder shall promptly give written notice (the "***Notice***") to each of the Major Investors at least thirty (30) days prior to the closing of such Transfer. The Notice shall describe in reasonable detail the proposed Transfer including, without limitation, the number of Key Holder Shares to be transferred, the nature of such Transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee. Each Major Investor shall have the

right, exercisable upon written notice to such Key Holder with a copy to the Company within fifteen (15) days after receipt of the Notice (the "***Tag-Along Period***"), to participate in such Transfer of Key Holder Shares on the same terms and conditions. Such notice shall indicate the number of Investor Shares up to that number of shares determined under Section 4.8(b) such Major Investor wishes to sell under his, her, or its right to participate. To the extent one or more of the Major Investors exercise such right of participation in accordance with the terms and conditions set forth below, the number of Key Holder Shares that such Key Holder may sell in the transaction shall be correspondingly reduced. For purposes of this Agreement, the term "***Transfer***" shall include any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by request, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any of the Key Holder Shares.

(b) Each Major Investor may sell all or any part of that number of shares equal to the product obtained by multiplying (i) the aggregate number of Key Holder Shares covered by the Notice by (ii) a fraction the numerator of which is the number of shares of Common Stock issued or issuable upon the conversion or exercise of Preferred Stock or other rights to acquire shares of Common Stock held by such Major Investor at the time of the Notice and the denominator of which is the total number of shares of Common Stock held by such Key Holder plus the number of shares of Common Stock issued or issuable upon the conversion or exercise of Preferred Stock or other rights to acquire shares of Common Stock held by all Major Investors at the time of the Notice.

(c) Each Major Investor who elects to participate in the Transfer pursuant to this Section 4.8 (a "***Tag-Along Participant***") shall effect its participation in the Transfer by promptly delivering to such Key Holder for transfer to the prospective purchaser one or more certificates, properly endorsed for transfer, which represent:

(i) the type and number of shares of Common Stock which such Tag-Along Participant elects to sell; or

(ii) that number of shares of Preferred Stock which is at such time convertible into the number of shares of Common Stock which such Tag-Along Participant elects to sell; provided, however, that if the prospective purchaser objects to the delivery of Preferred Stock in lieu of Common Stock, such Tag-Along Participant shall convert such Preferred Stock into Common Stock and deliver Common Stock as provided in Section 4.8(c)(i) above. The Company agrees to make any such conversion concurrent with and contingent upon the actual transfer of such shares to the purchaser.

(d) The stock certificate or certificates that the Tag-Along Participant delivers to such Key Holder pursuant to Section 4.8(c) shall be transferred to the prospective purchaser in consummation of the sale of the Common Stock pursuant to the terms and conditions specified in the Notice, and the Key Holder shall concurrently therewith remit to such Tag-Along Participant that portion of the sale proceeds to which such Tag-Along Participant is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase shares or other securities from a Tag-Along

Participant exercising its tag-along rights hereunder, such Key Holder shall not sell to such prospective purchaser or purchasers any Key Holder Shares unless and until, simultaneously with such sale, such Key Holder shall purchase such shares or other securities from such Tag-Along Participant on the same terms and conditions specified in the Notice.

(e) The exercise or non-exercise of the rights of any Major Investor hereunder to participate in one or more Transfers of Key Holder Shares made by any Key Holder shall not adversely affect his right to participate in subsequent Transfers of Key Holder Shares subject to this Section 4.8.

(f) To the extent that the Major Investors do not elect to participate in the sale of the Key Holder Shares subject to the Notice, such Key Holder may, not later than ninety (90) days following delivery to the Company of the Notice, enter into an agreement providing for the closing of the Transfer of such Key Holder Shares covered by the Notice within thirty (30) days of such agreement on terms and conditions not materially more favorable to the transferor than those described in the Notice. Any proposed Transfer on terms and conditions materially more favorable than those described in the Notice, as well as any subsequent proposed Transfer of any Key Holder Shares by a Key Holder, shall again be subject to the tag-along rights of the Major Investors and shall require compliance by a Key Holder with the procedures described in this Section 4.8.

(g) Notwithstanding the foregoing, the notice and tag-along rights of the Major Investors set forth in this Section 4.8 above shall not apply to (i) any transfer or transfers by a Key Holder which in the aggregate, over the term of this Agreement, amount to no more than five percent (5%) of the Key Holder Shares held by a Key Holder as of the date such Key Holder first became party to this Agreement, (ii) any transfer without consideration to such Key Holder's ancestors, descendants or spouse or to trusts for the benefit of such persons or such Key Holder, (iii) any transfer or transfers by a Key Holder to another Key Holder (the "***Transferee-Key Holder***"), (iv) any pledge of Key Holder Shares made pursuant to a *bona fide* loan transaction that creates a mere security interest, or (v) transfers to affiliates of such Key Holder. Except with respect to Key Holder Shares transferred under clause (i) above (which Key Holder Shares shall no longer be subject to the tag-along rights of the Investors set forth in this Agreement), such transferred Key Holder Shares shall remain "Key Holder Shares" hereunder, and such pledgee, transferee or donee shall be treated as the "Key Holder" for purposes of this Agreement.

(h) The tag-along rights established by this Section 4.8 shall not apply to, and shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering (and shall not apply to any shares sold in the Initial Offering) or (ii) an Acquisition. Notwithstanding Section 6.5 hereof, the tag-along rights established by this Section 4.8 may be amended, or any provision waived with and only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities held by all Major Investors, or as permitted by Section 6.5

SECTION 5. VOTING.

5.1 Change of Control. In the event that holders of a majority of the Class 1 Common Stock, Class 2 Common Stock, and Preferred Stock of the Company, voting together on an as-converted basis, (the "***Requisite Stockholders***") approve a sale of the Company or all or substantially all of the Company's assets (an "***Approved Sale***") whether by means of a merger, consolidation or sale of stock or assets, or otherwise, (i) if the Approved Sale is structured as a merger or consolidation of the Company, or a sale of all or substantially all of the Company's assets, each Investor and Key Holder agrees to be present, in person or by proxy, at all meetings for the vote thereon, to vote all shares of capital stock held by such person for and raise no objections to such Approved Sale, and waive and refrain from exercising any dissenters rights, appraisal rights or similar rights in connection with such merger, consolidation or asset sale, or (ii) if the Approved Sale is structured as a sale of the stock of the Company, the Investors and the Key Holders shall each agree to sell their Registrable Securities on the terms and conditions approved by the Requisite Stockholders; provided in each case that such terms do not provide that such Investor would receive as a result of such Approved Sale less than the amount that would be distributed to such Investor or Key Holder in the event the proceeds of such Approved Sale were distributed in accordance with the liquidation preferences set forth in Company's Certificate of Incorporation. The Investors and Key Holders shall each take all necessary and desirable actions approved by the Requisite Stockholders in connection with the consummation of the Approved Sale, including the execution of such agreements and such instruments and other actions reasonably necessary to (i) provide the representations, warranties, indemnities, covenants, conditions, non-compete agreements, escrow agreements and other provisions and agreements relating to such Approved Sale and (ii) effectuate the allocation and distribution of the aggregate consideration upon the Approved Sale.

5.2 Irrevocable Proxy. To secure the Investors' and Key Holders' obligations to vote the Registrable Securities in accordance with this Section 5, each Investor and Key Holder hereby appoints the Chief Executive Officer of the Company or his or her designees, as such Investor's or Key Holder's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to vote all of such Registrable Securities as set forth in this Section 5 and to execute all appropriate instruments consistent with this Section 5 on behalf of such Investor or Key Holder if, and only if, such Investor or Key Holder fails to vote all of such Registrable Securities or execute such other instruments in accordance with the provisions of this Agreement within five (5) days of the Company's or any other party's written request for such Investor's or Key Holder's written consent or signature. The proxy and power granted by each Investor and Key Holder pursuant to this Section 5 are coupled with an interest and are given to secure the performance of such party's duties under this Agreement. Each such proxy and power will be irrevocable for the term hereof. The proxy and power, so long as any party hereto is an individual, will survive the death, incompetency and disability of such party or any other individual holder of the Registrable Securities, as the case may be, and, so long as any party hereto is an entity, will survive the merger or reorganization of such party or any other entity holding any Registrable Securities.

5.3 Legend.

(a) Concurrently with the execution of this Agreement, there shall be imprinted or otherwise placed, on certificates representing the Key Holder Shares and Investor Shares the following restrictive legend (the "***Legend***"):

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF A VOTING AGREEMENT WHICH PLACES CERTAIN RESTRICTIONS ON THE VOTING OF THE SHARES REPRESENTED HEREBY. ANY PERSON ACCEPTING ANY INTEREST IN SUCH SHARES SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SUCH AGREEMENT. A COPY OF SUCH VOTING AGREEMENT WILL BE FURNISHED TO THE RECORD HOLDER OF THIS CERTIFICATE WITHOUT CHARGE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS."

(b) The Company agrees that, during the term of this Agreement, it will not remove, and will not permit to be removed (upon registration of transfer, reissuance of otherwise), the Legend from any such certificate and will place or cause to be placed the Legend on any new certificate issued to represent Key Holder Shares or Investor Shares theretofore represented by a certificate carrying the Legend. If at any time or from time to time any Key Holder or Investor holds any certificate representing shares of the Company's capital stock not bearing the aforementioned legend, such Key Holder or Investor agrees to deliver such certificate to the Company promptly to have such legend placed on such certificate.

5.4 Successors. The provisions of this Agreement shall be binding upon the successors in interest to any of the Key Holder Shares or Investor Shares. The Company shall not permit the transfer of any of the Key Holder Shares or Investor Shares on its books or issue a new certificate representing any of the Key Holder Shares or Investor Shares unless and until the person to whom such security is to be transferred shall have executed a written agreement, substantially in the form of this Agreement, pursuant to which such person becomes a party to this Agreement and agrees to be bound by all the provisions hereof as if such person were a Key Holder or Investor, as applicable.

5.5 Other Rights. Except as provided by this Agreement or any other agreement entered into in connection with the Financing, each Key Holder and Investor shall exercise the full rights of a holder of shares of capital stock of the Company with respect to the Key Holder Shares and the Investor Shares, respectively.

5.6 Termination. The obligations established by this Section 5 shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering or (ii) immediately following an Acquisition.

SECTION 6. MISCELLANEOUS.

6.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and to be performed entirely within Delaware, without reference to conflicts of laws or principles thereof. The parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby

submit to the jurisdiction and venue of, any state or federal court located in the County of King, Washington, United States.

6.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors, assigns, heirs, executors, and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of Registrable Securities from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price.

6.3 Entire Agreement. This Agreement and Schedules hereto, the Purchase Agreement and the other documents delivered pursuant thereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein. Each party expressly represents and warrants that it is not relying on any oral or written representations, warranties, covenants or agreements outside of this Agreement.

6.4 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.5 Amendment and Waiver.

(a) Except as otherwise expressly provided, this Agreement may be amended or modified, and the obligations of the Company and the rights of the Holders and Key Holders under this Agreement may be waived, only upon the written consent of (i) the Company, (ii) the holders of at least a majority of the then-outstanding Registrable Securities, and (iii) the holders of a majority of the Key Holder Shares. Notwithstanding the foregoing, pursuant to Section 5.4 of this Agreement, this Agreement may be amended to add holders of additional holders of Common Stock or Preferred Stock as "Investors" hereunder by an instrument in writing signed by the Company and such holders.

(b) For the purposes of determining the number of Holders or Investors entitled to vote or exercise any rights hereunder, the Company shall be entitled to rely solely on the list of record holders of its stock as maintained by or on behalf of the Company.

6.6 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further

agreed that any waiver, permit, consent, or approval of any kind or character on any party's part of any breach, default or noncompliance under the Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

6.7 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address as set forth on the signature pages hereof or at such other address or electronic mail address as such party may designate by ten (10) days advance written notice to the other parties hereto.

6.8 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

6.9 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.10 Additional Shares. In the event that subsequent to the date of this Agreement any shares or other securities are issued on, or in exchange for, any of the Key Holder Shares or Investor Shares by reason of any stock dividend, stock split, combination of shares, reclassification or the like, such shares or securities shall be deemed to be Key Holder Shares or Investor Shares, as the case may be, for purposes of this Agreement.

6.11 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company shall issue additional shares of its Preferred Stock pursuant to the Purchase Agreement, any purchaser of such shares of Preferred Stock shall become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "***Investor***," a "***Holder***" and a party hereunder. Notwithstanding anything to the contrary contained herein, if the Company shall issue Equity Securities in accordance with Section 4.6 (c), (e) or (h) of this Agreement, any purchaser of such Equity Securities may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "***Investor***," a "***Holder***" and a party hereunder.

6.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

6.13 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities or persons or persons or entities under common management or control shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

6.14 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

6.15 Termination. This Agreement shall terminate and be of no further force or effect upon the earlier of (i) an Acquisition; or (ii) the date three (3) years following the closing of the Initial Offering that results in the conversion of all outstanding shares of Preferred Stock.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

COMPANY:

TILRAY, INC.

By:_____

Name:_____

Title:_____

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

INVESTORS:

Anson Opportunities Master Fund LP

By: 

Name: Moez Kassam

Title: Director, Anson Advisors Inc, Co-Investment Advisor

Address: 155 University Ave, Suite 207

Toronto, ON, M5H 3B7

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

KEY HOLDERS:

PRIVATEER HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Address: _____

_____

_____

EXHIBIT A

LIST OF KEY HOLDERS

Privateer Holdings, Inc.

EXECUTION VERSION

TILRAY, INC.

INVESTOR RIGHTS AGREEMENT

TILRAY, INC.

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (the "***Agreement***") is entered into as of February __, 2018, by and among **TILRAY, INC.**, a Delaware corporation (the "***Company***") and the investors set forth on the signature pages hereto, referred to hereinafter as (together, the "***Investors***" and each individually as an "***Investor***") and those certain holders of the Company's Common Stock listed on **Exhibit A** hereto (the "***Key Holders***")

RECITALS

WHEREAS, the Investors are purchasing shares of the Company's Series A Preferred Stock (the "***Series A Stock***" or the "***Preferred Stock***") pursuant to that certain Series A Preferred Stock Purchase Agreement (the "***Purchase Agreement***") of even date herewith; (the "***Financing***").

WHEREAS, the obligations in the Purchase Agreement are conditioned upon the execution and delivery of this Agreement; and

WHEREAS, in connection with the consummation of the Financing, the parties desire to enter into this Agreement in order to grant registration, information rights and other rights to the Investors as set forth below.

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. GENERAL.

1.1 Definitions. As used in this Agreement the following terms shall have the following respective meanings:

(a) "***Common Stock***" means the Company's Class 1 Common Stock, Class 2 Common Stock, and Class 3 Common Stock, collectively.

(b) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(c) "***Form S-3***" means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(d) "***Holder***" means any person owning of record Registrable Securities that have not been sold to the public or any assignee of record of such Registrable Securities in accordance with Section 2.9 hereof.

(e) "***Initial Offering***" means the Company's first firm commitment underwritten public offering of its Common Stock registered under the Securities Act.

(f) "***Investor Shares***" means all shares of voting capital stock of the Company (including but not limited to all shares of Class 2 Common Stock issued or issuable upon conversion of the Shares) registered in an Investor's name or beneficially owned by such Investor as of the date hereof and any and all other securities of the Company legally or beneficially acquired by such Investor after the date hereof.

(g) "***Key Holder Shares***" means all shares of voting capital stock of the Company registered in a Key Holder's name or beneficially owned by such Key Holder as of the date hereof and any and all other securities of the Company legally or beneficially acquired by such Key Holder after the date hereof.

(h) "***Major Investor***" means an Investor (with its affiliates) who owns not less than Five Hundred Sixty-Three Thousand Five Hundred Twenty-Six (563,526) Shares (as adjusted for stock splits and combinations).

(i) "***Register***," "***registered***," and "***registration***" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(j) "***Registrable Securities***" means (a) Common Stock of the Company issuable or issued upon conversion of the Shares and (b) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such above-described securities. Notwithstanding the foregoing, Registrable Securities shall not include any securities (i) sold by a person to the public either pursuant to a registration statement or Rule 144 or (ii) sold in a private transaction in which the transferor's rights under Section 2 of this Agreement are not assigned.

(k) "***Registrable Securities then outstanding***" shall be the number of shares of the Company's Common Stock that are Registrable Securities and either (a) are then issued and outstanding or (b) are issuable pursuant to then exercisable or convertible securities.

(l) "***Registration Expenses***" shall mean all expenses incurred by the Company in complying with Sections 2.2, 2.3 and 2.4 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, reasonable fees and disbursements not to exceed twenty-five thousand dollars (C$25,000) of a single special counsel for the Holders, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(m) "***SEC***" or "***Commission***" means the Securities and Exchange Commission.

(n) "***Securities Act***" shall mean the Securities Act of 1933, as amended.

(o) "***Selling Expenses***" shall mean all underwriting discounts and selling commissions applicable to the sale.

(p) "***Shares***" shall mean the Series A Stock held from time to time by the Investors and their permitted assigns.

(q) "***Special Registration Statement***" shall mean (i) a registration statement relating to any employee benefit plan or (ii) with respect to any corporate reorganization or transaction under Rule 145 of the Securities Act, any registration statements related to the issuance or resale of securities issued in such a transaction or (iii) a registration related to stock issued upon conversion of debt securities.

SECTION 2. REGISTRATION; RESTRICTIONS ON TRANSFER.

2.1 Restrictions on Transfer.

(a) Each Holder agrees not to make any disposition of all or any portion of the Shares or Registrable Securities unless and until:

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) (A) The transferee has agreed in writing to be bound by the terms of this Agreement, (B) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and (C) if reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Securities Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144, except in unusual circumstances. After its Initial Offering, the Company will not require any transferee pursuant to Rule 144 to be bound by the terms of this Agreement if the shares so transferred do not remain Registrable Securities hereunder following such transfer.

(b) Notwithstanding the provisions of subsection (a) above, no such restriction shall apply to a transfer by a Holder that is (A) a partnership transferring to its partners or former partners in accordance with partnership interests, (B) a corporation transferring to a wholly-owned subsidiary or a parent corporation that owns all of the capital stock of the Holder, (C) a limited liability company transferring to its members or former members in accordance with their interest in the limited liability company, (D) an individual transferring to the Holder's family member or trust for the benefit of an individual Holder or (E) an affiliate of such Holder; *provided* that in each case the transferee will agree in writing to be subject to the terms of this Agreement to the same extent as if he were an original Holder hereunder.

(c) Each certificate representing Shares or Registrable Securities shall be stamped or otherwise imprinted with legends substantially similar to the following (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "***ACT***") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN INVESTOR RIGHTS AGREEMENT BY AND BETWEEN THE STOCKHOLDER AND THE COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(d) The Company shall be obligated to reissue promptly unlegended certificates at the request of any Holder thereof if the Company has completed its Initial Offering and the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification and legend, *provided that* the second legend listed above shall be removed only at such time as the Holder of such certificate is no longer subject to any restrictions hereunder.

(e) Any legend endorsed on an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal.

2.2 Demand Registration.

(a) Subject to the conditions of this Section 2.2, if the Company shall receive a written request from the Holders of a majority of the Registrable Securities (the "***Initiating Holders***") that the Company file a registration statement under the Securities Act covering the registration of at least a majority of the Registrable Securities then outstanding, then the Company shall, within thirty (30) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 2.2, effect, as expeditiously as reasonably possible, the registration under the Securities Act of all Registrable Securities that all Holders request to be registered.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.2 or any request pursuant to Section 2.4 and the Company shall include such information in the written notice referred to in Section 2.2(a) or

Section 2.4(a), as applicable. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities held by all Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 2.2 or Section 2.4, if the underwriter advises the Company that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities) then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities on a *pro rata* basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders); provided that to the extent other shares of the Company are included in any such registration statement, 100% of such other shares must be excluded before any Registrable Securities are excluded. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 2.2:

(i) prior to the earlier of (A) December 31, 2018 or (B) of the expiration of the restrictions on transfer set forth in Section 2.11 following the Initial Offering;

(ii) after the Company has effected two (2) registrations pursuant to this Section 2.2, and such registrations have been declared or ordered effective;

(iii) during the period starting with the date of filing of, and ending on the date one hundred eighty (180) days following the effective date of the registration statement pertaining to a public offering, other than pursuant to a Special Registration Statement; *provided* that the Company makes reasonable good faith efforts to cause such registration statement to become effective;

(iv) if within thirty (30) days of receipt of a written request from Initiating Holders pursuant to Section 2.2(a), the Company gives notice to the Holders of the Company's intention to file a registration statement for a public offering, other than pursuant to a Special Registration Statement within ninety (90) days, provided if the Company shall not have actually filed a registration statement within such ninety (90) day period, then the Initiating Holders shall be permitted to make a new request and the Company will not be entitled to block such request pursuant to this clause (iv);

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.2 a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of

not more than ninety (90) days after receipt of the request of the Initiating Holders; *provided* that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period;

(vi) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.4 below; or

(vii) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

2.3 Piggyback Registrations. The Company shall notify all Holders of Registrable Securities in writing at least fifteen (15) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding Special Registration Statements) and will afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities by such Holder. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) Underwriting. If the registration statement of which the Company gives notice under this Section 2.3 is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to include Registrable Securities in a registration pursuant to this Section 2.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Agreement, if the Company determines in good faith, based on consultation with the underwriter, that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the underwriting shall be allocated, first, to the Company; second, to the Holders on a *pro rata* basis based on the total number of Registrable Securities held by the Holders; and third, to any stockholder of the Company (other than a Holder) on a *pro rata* basis; provided, however, that no such reduction shall reduce the amount of securities of the selling Holders included in the registration below thirty percent (30%) of the total amount of securities included in such registration, unless such offering is the Initial Offering and such registration does not include shares of any other selling stockholders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding clause. In no event

will shares of any other selling stockholder be included in such registration that would reduce the number of shares which may be included by Holders without the written consent of Holders of not less than a majority of the Registrable Securities proposed to be sold in the offering. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder which is a partnership, limited liability company or corporation, the partners, retired partners, members, retired members and stockholders of such Holder, or the estates and family members of any such partners, retired partners, members and retired members and any trusts for the benefit of any of the foregoing person shall be deemed to be a single "Holder," and any *pro rata* reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.3 whether or not any Holder has elected to include securities in such registration, and shall promptly notify any Holder that has elected to include shares in such registration of such termination or withdrawal. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.5 hereof.

2.4 Form S-3 Registration. In case the Company shall receive from any Holder or Holders of Registrable Securities a written request or requests that the Company effect a registration on Form S-3 (or any successor to Form S-3) or any similar short-form registration statement and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.4:

(i) if Form S-3 is not available for such offering by the Holders, or

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than one million dollars (C$1,000,000), or

(iii) if within thirty (30) days of receipt of a written request from any Holder or Holders pursuant to this Section 2.4, the Company gives notice to such Holder or Holders of the Company's intention to make a public offering within ninety (90) days, other than pursuant to a Special Registration Statement, provided if the Company shall not have actually filed a registration statement within such ninety (90) day period, then the Initiating Holders shall be permitted to make a new request and the Company will not be entitled to block such request pursuant to this clause (iii);

(iv) if the Company shall furnish to the Holders a certificate signed by the Chairman of the Board of Directors of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 2.4; *provided*, that such right to delay a request shall be exercised by the Company not more than twice in any twelve (12) month period, or

(v) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 for the Holders pursuant to this Section 2.4, or

(vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a Form S-3 registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the requests of the Holders. Registrations effected pursuant to this Section 2.4 shall not be counted as demands for registration or registrations effected pursuant to Section 2.2.

2.5 Expenses of Registration. Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 2.2, 2.3 or 2.4 herein shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder, shall be borne by the holders of the securities so registered *pro rata* on the basis of the number of shares so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 2.2 or 2.4, the request of which has been subsequently withdrawn by the Initiating Holders unless (a) the withdrawal is based upon material adverse information concerning the Company of which the Initiating Holders were not aware at the time of such request or (b) the Holders of a majority of Registrable Securities agree to deem such registration to have been effected as of the date of such withdrawal for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c) or 2.4(b)(v), as applicable, to undertake any subsequent registration, in which event such right shall be forfeited by all Holders. If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay

the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then such registration shall not be deemed to have been effected for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c) or 2.4(b)(v), as applicable, to undertake any subsequent registration.

2.6 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to one hundred twenty (120) days or, if earlier, until the Holder or Holders have completed the distribution related thereto; provided, however, that at any time, upon written notice to the participating Holders and for a period not to exceed sixty (60) days thereafter (the "***Suspension Period***"), the Company may delay the filing or effectiveness of any registration statement or suspend the use or effectiveness of any registration statement (and the Initiating Holders hereby agree not to offer or sell any Registrable Securities pursuant to such registration statement during the Suspension Period) if the Company reasonably believes that there is or may be in existence material nonpublic information or events involving the Company, the failure of which to be disclosed in the prospectus included in the registration statement could result in a Violation (as defined below). In the event that the Company shall exercise its right to delay or suspend the filing or effectiveness of a registration hereunder, the applicable time period during which the registration statement is to remain effective shall be extended by a period of time equal to the duration of the Suspension Period. The Company may extend the Suspension Period for an additional consecutive sixty (60) days with the consent of the holders of a majority of the Registrable Securities registered under the applicable registration statement, which consent shall not be unreasonably withheld. If so directed by the Company, all Holders registering shares under such registration statement shall (i) not offer to sell any Registrable Securities pursuant to the registration statement during the period in which the delay or suspension is in effect after receiving notice of such delay or suspension; and (ii) use their best efforts to deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holders' possession, of the prospectus relating to such Registrable Securities current at the time of receipt of such notice. Notwithstanding the foregoing, the Company shall not be required to file, cause to become effective or maintain the effectiveness of any registration statement other than a registration statement on Form S-3 that contemplates a distribution of securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other

documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company will use reasonable efforts to amend or supplement such prospectus in order to cause such prospectus not to include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Use its reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering addressed to the underwriters.

2.7 Delay of Registration; Furnishing Information.

(a) No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.2, 2.3 or 2.4 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities.

(c) The Company shall have no obligation with respect to any registration requested pursuant to Section 2.2 or Section 2.4 if the number of shares or the anticipated

aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in Section 2.2 or Section 2.4, whichever is applicable.

2.8 Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 2.2, 2.3 or 2.4:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers and directors of each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "***Violation***") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder, partner, member, officer, director, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided however*, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, member, officer, director, underwriter or controlling person of such Holder.

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, its officers and each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors or officers or any person who controls such Holder, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, controlling person, underwriter or other such Holder, or partner, director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any of the

following statements: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act (collectively, a "***Holder Violation***"), in each case to the extent (and only to the extent) that such Holder Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder and stated to be specifically for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, or partner, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action if it is judicially determined that there was such a Holder Violation; *provided, however,* that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; *provided further*, that in no event shall any indemnity under this Section 2.8 exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however,* that an indemnified party shall have the right to retain its own counsel, with the fees and expenses thereof to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8 to the extent, and only to the extent, prejudicial to its ability to defend such action, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) If the indemnification provided for in this Section 2.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) or Holder Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the

indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; *provided*, *that* in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder.

(e) The obligations of the Company and Holders under this Section 2.8 shall survive completion of any offering of Registrable Securities in a registration statement and, with respect to liability arising from an offering to which this Section 2.8 would apply that is covered by a registration filed before termination of this Agreement, such termination. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

2.9 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned by a Holder to a transferee or assignee of Registrable Securities (for so long as such shares remain Registrable Securities) that (a) is a subsidiary, parent, general partner, limited partner, retired partner, member or retired member, or stockholder of a Holder that is a corporation, partnership or limited liability company, (b) is a Holder's family member or trust for the benefit of an individual Holder, or (c) acquires at least Five Hundred Sixty-Three Thousand Five Hundred Twenty-Six (563,526) shares of Registrable Securities (as adjusted for stock splits and combinations); or (d) is an entity affiliated by common control (or other related entity) with such Holder *provided, however,* (i) the transferor shall, within ten (10) days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (ii) such transferee shall agree to be subject to all restrictions set forth in this Agreement.

2.10 Limitation on Subsequent Registration Rights. Other than as provided in Section 2.14, after the date of this Agreement, the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company that would grant such holder rights to demand the registration of shares of the Company's capital stock, or to include such shares in a registration statement that would reduce the number of shares includable by the Holders.

2.11 Market Stand-Off Agreement. Each Holder hereby agrees that such Holder shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration, i.e. shares purchased in the Initial Offering) during the 180-day period following the effective date of the Initial Offering; provided, that all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements.

2.12 Agreement to Furnish Information. Each Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the managing underwriters that are consistent with the Holder's obligations under Section 2.11 or that are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in Section 2.11 and this Section 2.12 shall not apply to a Special Registration Statement. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to such shares of Common Stock (or other securities) until the end of such period. Each Holder agrees that any transferee of any shares of Registrable Securities shall be bound by Sections 2.11 and 2.12. The underwriters of the Company's stock are intended third party beneficiaries of Sections 2.11 and 2.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

2.13 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) Make and keep public information available, as those terms are understood and defined in SEC Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 of the Securities Act, and of the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company filed with the Commission; and such other reports and documents as a Holder may reasonably request in connection with availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

2.14 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.2, Section 2.3, or Section 2.4 hereof shall terminate upon the earlier of: (i) the date five (5) years following an initial public offering that results in the conversion of all outstanding shares of Preferred Stock; or (ii) such time as such Holder holds less than one percent (1%) of the Company's outstanding shares of Common Stock (treating all shares of Preferred Stock on an as converted basis), the Company has completed its Initial Offering and all Registrable Securities of the Company issuable or issued upon conversion of the Shares held by and issuable to such Holder (and its affiliates) may be sold pursuant to Rule 144 during any ninety (90) day period. Upon such termination, such shares shall cease to be "Registrable Securities" hereunder for all purposes.

2.15 Rule144A Information Rights. So long as the Company is not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act, the Company shall provide the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to a Holder upon such Holder's request.

SECTION 3. COVENANTS OF THE COMPANY.

3.1 Basic Financial Information and Reporting.

(a) The Company will maintain true books and records of account in which full and correct entries will be made of all its business transactions pursuant to a system of accounting established and administered in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof), and will set aside on its books all such proper accruals and reserves as shall be required under generally accepted accounting principles consistently applied.

(b) To the extent requested by an Investor, as soon as practicable after the end of each fiscal year of the Company, and in any event within one hundred twenty (120) days thereafter, the Company will furnish such Investor a balance sheet of the Company, as at the end of such fiscal year, and a statement of income and a statement of cash flows of the Company, for such year, all prepared in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof) and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail. Such financial statements shall be accompanied by a report and opinion thereon by independent public accountants selected by the Company's Board of Directors.

(c) To the extent requested by a Major Investor, the Company will furnish such Major Investor, as soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, and in any event within forty-five (45) days thereafter, a balance sheet of the Company as of the end of each such quarterly period, and a statement of income and a statement of cash flows of the Company for such period and for the current fiscal year to date, prepared in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof), with the exception that no notes need be attached to such statements and year-end audit adjustments may not have been made.

(d) To the extent requested by a Major Investor, the Company will furnish to such Major Investor an annual budget for the upcoming fiscal year.

3.2 Inspection Rights. Each Major Investor shall have the right to visit and inspect any of the properties of the Company or any of its subsidiaries, and to discuss the affairs, finances and accounts of the Company or any of its subsidiaries with its officers, and to review such information as is reasonably requested all at such reasonable times and as often as may be reasonably requested; *provided, however,* that the Company shall not be obligated under this Section 3.2 with respect to a competitor of the Company or with respect to information which the Board of Directors determines in good faith is confidential or attorney-client privileged and should not, therefore, be disclosed.

3.3 Confidentiality of Records. Each Investor agrees to use the same degree of care as such Investor uses to protect its own confidential information to keep confidential any information furnished to such Investor hereof that the Company identifies as being confidential or proprietary (so long as such information is not in the public domain), except that such Investor may disclose such proprietary or confidential information (i) to any partner, subsidiary or parent of such Investor as long as such partner, subsidiary or parent is advised of and agrees or has agreed to be bound by the confidentiality provisions of this Section 3.3 or comparable restrictions; (ii) at such time as it enters the public domain through no fault of such Investor; (iii) that is communicated to it free of any obligation of confidentiality; (iv) that is developed by Investor or its agents independently of and without reference to any confidential information communicated by the Company; (v) to a third party who is a bona fide prospective purchaser ("***Prospective Purchaser***") of such Investor's Investor Shares as long as (1) such Prospective Purchaser is advised of and agrees or has agreed to be bound by the confidentiality provisions of this Section 3.3 or comparable restrictions, (2) such Prospective Purchaser is not a competitor of the Company or is not a company operating in the cannabis or cannabis-related sectors or, to Investor's knowledge after reasonable investigation, an investor with investments in the cannabis or cannabis-related sectors (and the foregoing shall include any individual or entity affiliated with any Prospective Purchaser who meets the foregoing disqualifying criteria) unless the Company provides its prior written consent, which consent shall not be unreasonably withheld, (3) such Investor promptly informs the Company of any disclosure to a Prospective Purchaser and identifies the Prospective Purchaser, or (vi) as required by applicable law.

3.4 Reservation of Common Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Preferred Stock, all shares of Class 2 Common Stock issuable from time to time upon such conversion.

3.5 Operating Covenants Related to Key Holder Activities. For so long as at least one million (1,000,000) shares of Preferred Stock (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof) remain outstanding, without the prior written consent of the holders of a majority of the outstanding Preferred Stock (which shall not be unreasonably withheld):

(a) The Company will not repurchase shares of Common Stock from any Key Holder or entity affiliated with any Key Holder;

(b) The Company will not be sold to or merge with any Key Holder or entity affiliated with any Key Holder;

(c) The Company will not issue shares of Company capital stock to any Key Holder or entity affiliated with any Key Holder (provided the foregoing shall not apply to any equity awards from the Company's equity incentive plans which may be issued to individuals affiliated with any Key Holder);

(d) The Company will not borrow money from any Key Holder or entity affiliated with any Key Holder in excess of CDN$10,000,000

(e) The Company will not sell or otherwise transfer any material assets to any Key Holder or entity affiliated with any Key Holder; and

(f) The Key Holder will only produce and distribute medical cannabis outside of the United States through the Company (provided the foregoing restriction does not apply to the operations of Leafly, Inc.'s ecommerce platform).

The foregoing restrictions shall apply after the closing of the Financing and shall not apply to any the various intercompany arrangements and transactions which have occurred prior to the closing.

3.6 Termination of Covenants. All covenants of the Company contained in Section 3 of this Agreement (other than the provisions of Section 3.3) shall expire and terminate as to each Investor upon the earlier of (i) the effective date of the registration statement pertaining to an Initial Offering that results in the Preferred Stock being converted into shares of Class 2 Common Stock or (ii) upon an "***Acquisition***" as defined in the Company's Certificate of Incorporation as in effect as of the date hereof.

SECTION 4. RIGHTS OF FIRST REFUSAL.

4.1 Subsequent Offerings. Subject to applicable securities laws, each Major Investor shall have a right of first refusal to purchase its *pro rata* share of all Equity Securities, as defined below, that the Company may, from time to time, propose to sell and issue after the date of this Agreement, other than the Equity Securities excluded by Section 4.6 hereof. Each Major Investor's *pro rata* share is equal to the ratio of (a) the number of shares of the Company's Common Stock (including all shares of Class 2 Common Stock issuable or issued upon conversion of the Shares or shares of Common Stock issuable or issued upon the exercise of outstanding warrants or options) of which such Major Investor is deemed to be a holder immediately prior to the issuance of such Equity Securities to (b) the total number of the Company's outstanding shares of Common Stock (including all shares of Class 2 Common Stock issuable or issued upon conversion of the Shares or shares of Common Stock issuable or issued upon the exercise of outstanding warrants or options) immediately prior to the issuance of the Equity Securities. The term "***Equity Securities***" shall mean (i) any Common Stock, Preferred Stock or other security of the Company, (ii) any security convertible into or exercisable or exchangeable for, with or without consideration, any Common Stock, Preferred Stock or other security (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Common Stock, Preferred Stock or other security or (iv) any such warrant or right.

4.2 Exercise of Rights. If the Company proposes to issue any Equity Securities, it shall give each Major Investor written notice of its intention, describing the Equity Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Major Investor shall have fifteen (15) days from the giving of such notice to agree to purchase its *pro rata* share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of Equity Securities to be purchased. At the expiration of such fifteen (15) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to

it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the five (5) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the Equity Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the relative *pro rata* shares of all such Fully Exercising Investors who wish to purchase such unsubscribed shares. Notwithstanding the foregoing, the Company shall not be required to offer or sell such Equity Securities to any Major Investor who would cause the Company to be in violation of applicable federal securities laws by virtue of such offer or sale.

4.3 Issuance of Equity Securities to Other Persons. The Company shall have ninety (90) days thereafter to sell the Equity Securities in respect of which the Major Investor's rights were not exercised, at a price not lower and upon general terms and conditions not materially more favorable to the purchasers thereof than specified in the Company's notice to the Major Investors pursuant to Section 4.2 hereof. If the Company has not sold such Equity Securities within ninety (90) days of the notice provided pursuant to Section 4.2, the Company shall not thereafter issue or sell any Equity Securities, without first offering such securities to the Major Investors in the manner provided above.

4.4 Termination and Waiver of Rights of First Refusal. The rights of first refusal established by this Section 4 shall not apply to, and shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering; provided that the rights of first refusal established by this Section 4 shall not apply to the Initial Offering (other than the investment right set forth in Section 4.7) or (ii) an Acquisition. Notwithstanding Section 6.5 hereof, the rights of first refusal established by this Section 4 may be amended, or any provision waived with and only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities held by all Major Investors, or as permitted by Section 6.5.

4.5 Assignment of Rights of First Refusal. The rights of first refusal of each Major Investor under this Section 4 may be assigned to the same parties, subject to the same restrictions as any transfer of registration rights pursuant to Section 2.9.

4.6 Excluded Securities. The rights of first refusal established by this Section 4 shall have no application to any of the following Equity Securities:

(a) shares of Common Stock and/or options, warrants or other Common Stock purchase rights and the Common Stock issued pursuant to such options, warrants or other rights issued or to be issued after the date hereof to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary of the Company, pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board of Directors;

(b) stock issued or issuable pursuant to any rights or agreements, options, warrants or convertible securities outstanding as of the date of this Agreement; and stock issued pursuant to any such rights or agreements granted after the date of this Agreement, so long as the rights of first refusal established by this Section 4 were complied with, waived, or were

inapplicable pursuant to any provision of this Section 4.6 with respect to the initial sale or grant by the Company of such rights or agreements;

(c) any Equity Securities issued for consideration other than cash pursuant to a merger, consolidation, acquisition or similar business combination approved by the Board of Directors;

(d) any Equity Securities issued in connection with any stock split, stock dividend or recapitalization by the Company;

(e) any Equity Securities issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement, or debt financing from a bank or similar financial or lending institution approved by the Board of Directors;

(f) any Equity Securities that are issued by the Company pursuant to a registration statement filed under the Securities Act;

(g) any Equity Securities issued in connection with strategic transactions involving the Company and other entities, including, without limitation (i) joint ventures, manufacturing, marketing or distribution arrangements or (ii) technology transfer or development arrangements; *provided* that the issuance of shares therein has been approved by the Company's Board of Directors;

(h) any Equity Securities issued by the Company pursuant to the terms of Section 2.3 of the Purchase Agreement.

4.7 IPO Investment Right. Subject to applicable securities laws, each Major Investor shall have a right to purchase shares of Class 2 Common Stock, in an amount equal to the dollar amount invested by such Major Investor under the Purchase Agreement, in connection with the Initial Offering. If the Company proposes to consummate an Initial Offering, it shall give each Major Investor written notice of its intention, describing the price and the material terms and conditions upon which the Company proposes to offer the shares of Class 2 Common Stock. Each Major Investor shall have fifteen (15) days from the giving of such notice to agree to purchase its share of the offered shares for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of shares of Class 2 Common Stock to be purchased. Notwithstanding the foregoing, the Company shall not be required to offer or sell such shares to any Major Investor who would cause the Company to be in violation of applicable securities laws by virtue of such offer or sale.

4.8 Tag-Along Rights.

(a) Other than in connection with a Transfer (as defined below) excluded by Section 4.8(g) below, if a Key Holder proposes to Transfer any Key Holder Shares then such Key Holder shall promptly give written notice (the "***Notice***") to each of the Major Investors at least thirty (30) days prior to the closing of such Transfer. The Notice shall describe in reasonable detail the proposed Transfer including, without limitation, the number of Key Holder Shares to be transferred, the nature of such Transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee. Each Major Investor shall have the

right, exercisable upon written notice to such Key Holder with a copy to the Company within fifteen (15) days after receipt of the Notice (the "***Tag-Along Period***"), to participate in such Transfer of Key Holder Shares on the same terms and conditions. Such notice shall indicate the number of Investor Shares up to that number of shares determined under Section 4.8(b) such Major Investor wishes to sell under his, her, or its right to participate. To the extent one or more of the Major Investors exercise such right of participation in accordance with the terms and conditions set forth below, the number of Key Holder Shares that such Key Holder may sell in the transaction shall be correspondingly reduced. For purposes of this Agreement, the term "***Transfer***" shall include any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by request, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any of the Key Holder Shares.

(b) Each Major Investor may sell all or any part of that number of shares equal to the product obtained by multiplying (i) the aggregate number of Key Holder Shares covered by the Notice by (ii) a fraction the numerator of which is the number of shares of Common Stock issued or issuable upon the conversion or exercise of Preferred Stock or other rights to acquire shares of Common Stock held by such Major Investor at the time of the Notice and the denominator of which is the total number of shares of Common Stock held by such Key Holder plus the number of shares of Common Stock issued or issuable upon the conversion or exercise of Preferred Stock or other rights to acquire shares of Common Stock held by all Major Investors at the time of the Notice.

(c) Each Major Investor who elects to participate in the Transfer pursuant to this Section 4.8 (a "***Tag-Along Participant***") shall effect its participation in the Transfer by promptly delivering to such Key Holder for transfer to the prospective purchaser one or more certificates, properly endorsed for transfer, which represent:

(i) the type and number of shares of Common Stock which such Tag-Along Participant elects to sell; or

(ii) that number of shares of Preferred Stock which is at such time convertible into the number of shares of Common Stock which such Tag-Along Participant elects to sell; provided, however, that if the prospective purchaser objects to the delivery of Preferred Stock in lieu of Common Stock, such Tag-Along Participant shall convert such Preferred Stock into Common Stock and deliver Common Stock as provided in Section 4.8(c)(i) above. The Company agrees to make any such conversion concurrent with and contingent upon the actual transfer of such shares to the purchaser.

(d) The stock certificate or certificates that the Tag-Along Participant delivers to such Key Holder pursuant to Section 4.8(c) shall be transferred to the prospective purchaser in consummation of the sale of the Common Stock pursuant to the terms and conditions specified in the Notice, and the Key Holder shall concurrently therewith remit to such Tag-Along Participant that portion of the sale proceeds to which such Tag-Along Participant is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase shares or other securities from a Tag-Along

Participant exercising its tag-along rights hereunder, such Key Holder shall not sell to such prospective purchaser or purchasers any Key Holder Shares unless and until, simultaneously with such sale, such Key Holder shall purchase such shares or other securities from such Tag-Along Participant on the same terms and conditions specified in the Notice.

(e) The exercise or non-exercise of the rights of any Major Investor hereunder to participate in one or more Transfers of Key Holder Shares made by any Key Holder shall not adversely affect his right to participate in subsequent Transfers of Key Holder Shares subject to this Section 4.8.

(f) To the extent that the Major Investors do not elect to participate in the sale of the Key Holder Shares subject to the Notice, such Key Holder may, not later than ninety (90) days following delivery to the Company of the Notice, enter into an agreement providing for the closing of the Transfer of such Key Holder Shares covered by the Notice within thirty (30) days of such agreement on terms and conditions not materially more favorable to the transferor than those described in the Notice. Any proposed Transfer on terms and conditions materially more favorable than those described in the Notice, as well as any subsequent proposed Transfer of any Key Holder Shares by a Key Holder, shall again be subject to the tag-along rights of the Major Investors and shall require compliance by a Key Holder with the procedures described in this Section 4.8.

(g) Notwithstanding the foregoing, the notice and tag-along rights of the Major Investors set forth in this Section 4.8 above shall not apply to (i) any transfer or transfers by a Key Holder which in the aggregate, over the term of this Agreement, amount to no more than five percent (5%) of the Key Holder Shares held by a Key Holder as of the date such Key Holder first became party to this Agreement, (ii) any transfer without consideration to such Key Holder's ancestors, descendants or spouse or to trusts for the benefit of such persons or such Key Holder, (iii) any transfer or transfers by a Key Holder to another Key Holder (the "***Transferee-Key Holder***"), (iv) any pledge of Key Holder Shares made pursuant to a *bona fide* loan transaction that creates a mere security interest, or (v) transfers to affiliates of such Key Holder. Except with respect to Key Holder Shares transferred under clause (i) above (which Key Holder Shares shall no longer be subject to the tag-along rights of the Investors set forth in this Agreement), such transferred Key Holder Shares shall remain "Key Holder Shares" hereunder, and such pledgee, transferee or donee shall be treated as the "Key Holder" for purposes of this Agreement.

(h) The tag-along rights established by this Section 4.8 shall not apply to, and shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering (and shall not apply to any shares sold in the Initial Offering) or (ii) an Acquisition. Notwithstanding Section 6.5 hereof, the tag-along rights established by this Section 4.8 may be amended, or any provision waived with and only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities held by all Major Investors, or as permitted by Section 6.5

SECTION 5. VOTING.

5.1 Change of Control. In the event that holders of a majority of the Class 1 Common Stock, Class 2 Common Stock, and Preferred Stock of the Company, voting together on an as-converted basis, (the "***Requisite Stockholders***") approve a sale of the Company or all or substantially all of the Company's assets (an "***Approved Sale***") whether by means of a merger, consolidation or sale of stock or assets, or otherwise, (i) if the Approved Sale is structured as a merger or consolidation of the Company, or a sale of all or substantially all of the Company's assets, each Investor and Key Holder agrees to be present, in person or by proxy, at all meetings for the vote thereon, to vote all shares of capital stock held by such person for and raise no objections to such Approved Sale, and waive and refrain from exercising any dissenters rights, appraisal rights or similar rights in connection with such merger, consolidation or asset sale, or (ii) if the Approved Sale is structured as a sale of the stock of the Company, the Investors and the Key Holders shall each agree to sell their Registrable Securities on the terms and conditions approved by the Requisite Stockholders; provided in each case that such terms do not provide that such Investor would receive as a result of such Approved Sale less than the amount that would be distributed to such Investor or Key Holder in the event the proceeds of such Approved Sale were distributed in accordance with the liquidation preferences set forth in Company's Certificate of Incorporation. The Investors and Key Holders shall each take all necessary and desirable actions approved by the Requisite Stockholders in connection with the consummation of the Approved Sale, including the execution of such agreements and such instruments and other actions reasonably necessary to (i) provide the representations, warranties, indemnities, covenants, conditions, non-compete agreements, escrow agreements and other provisions and agreements relating to such Approved Sale and (ii) effectuate the allocation and distribution of the aggregate consideration upon the Approved Sale.

5.2 Irrevocable Proxy. To secure the Investors' and Key Holders' obligations to vote the Registrable Securities in accordance with this Section 5, each Investor and Key Holder hereby appoints the Chief Executive Officer of the Company or his or her designees, as such Investor's or Key Holder's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to vote all of such Registrable Securities as set forth in this Section 5 and to execute all appropriate instruments consistent with this Section 5 on behalf of such Investor or Key Holder if, and only if, such Investor or Key Holder fails to vote all of such Registrable Securities or execute such other instruments in accordance with the provisions of this Agreement within five (5) days of the Company's or any other party's written request for such Investor's or Key Holder's written consent or signature. The proxy and power granted by each Investor and Key Holder pursuant to this Section 5 are coupled with an interest and are given to secure the performance of such party's duties under this Agreement. Each such proxy and power will be irrevocable for the term hereof. The proxy and power, so long as any party hereto is an individual, will survive the death, incompetency and disability of such party or any other individual holder of the Registrable Securities, as the case may be, and, so long as any party hereto is an entity, will survive the merger or reorganization of such party or any other entity holding any Registrable Securities.

5.3 Legend.

(a) Concurrently with the execution of this Agreement, there shall be imprinted or otherwise placed, on certificates representing the Key Holder Shares and Investor Shares the following restrictive legend (the "***Legend***"):

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF A VOTING AGREEMENT WHICH PLACES CERTAIN RESTRICTIONS ON THE VOTING OF THE SHARES REPRESENTED HEREBY. ANY PERSON ACCEPTING ANY INTEREST IN SUCH SHARES SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SUCH AGREEMENT. A COPY OF SUCH VOTING AGREEMENT WILL BE FURNISHED TO THE RECORD HOLDER OF THIS CERTIFICATE WITHOUT CHARGE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS."

(b) The Company agrees that, during the term of this Agreement, it will not remove, and will not permit to be removed (upon registration of transfer, reissuance of otherwise), the Legend from any such certificate and will place or cause to be placed the Legend on any new certificate issued to represent Key Holder Shares or Investor Shares theretofore represented by a certificate carrying the Legend. If at any time or from time to time any Key Holder or Investor holds any certificate representing shares of the Company's capital stock not bearing the aforementioned legend, such Key Holder or Investor agrees to deliver such certificate to the Company promptly to have such legend placed on such certificate.

5.4 Successors. The provisions of this Agreement shall be binding upon the successors in interest to any of the Key Holder Shares or Investor Shares. The Company shall not permit the transfer of any of the Key Holder Shares or Investor Shares on its books or issue a new certificate representing any of the Key Holder Shares or Investor Shares unless and until the person to whom such security is to be transferred shall have executed a written agreement, substantially in the form of this Agreement, pursuant to which such person becomes a party to this Agreement and agrees to be bound by all the provisions hereof as if such person were a Key Holder or Investor, as applicable.

5.5 Other Rights. Except as provided by this Agreement or any other agreement entered into in connection with the Financing, each Key Holder and Investor shall exercise the full rights of a holder of shares of capital stock of the Company with respect to the Key Holder Shares and the Investor Shares, respectively.

5.6 Termination. The obligations established by this Section 5 shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Initial Offering or (ii) immediately following an Acquisition.

SECTION 6. MISCELLANEOUS.

6.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and to be performed entirely within Delaware, without reference to conflicts of laws or principles thereof. The parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby

submit to the jurisdiction and venue of, any state or federal court located in the County of King, Washington, United States.

6.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors, assigns, heirs, executors, and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of Registrable Securities from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price.

6.3 Entire Agreement. This Agreement and Schedules hereto, the Purchase Agreement and the other documents delivered pursuant thereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein. Each party expressly represents and warrants that it is not relying on any oral or written representations, warranties, covenants or agreements outside of this Agreement.

6.4 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.5 Amendment and Waiver.

(a) Except as otherwise expressly provided, this Agreement may be amended or modified, and the obligations of the Company and the rights of the Holders and Key Holders under this Agreement may be waived, only upon the written consent of (i) the Company, (ii) the holders of at least a majority of the then-outstanding Registrable Securities, and (iii) the holders of a majority of the Key Holder Shares. Notwithstanding the foregoing, pursuant to Section 5.4 of this Agreement, this Agreement may be amended to add holders of additional holders of Common Stock or Preferred Stock as "Investors" hereunder by an instrument in writing signed by the Company and such holders.

(b) For the purposes of determining the number of Holders or Investors entitled to vote or exercise any rights hereunder, the Company shall be entitled to rely solely on the list of record holders of its stock as maintained by or on behalf of the Company.

6.6 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further

agreed that any waiver, permit, consent, or approval of any kind or character on any party's part of any breach, default or noncompliance under the Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

6.7 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address as set forth on the signature pages hereof or at such other address or electronic mail address as such party may designate by ten (10) days advance written notice to the other parties hereto.

6.8 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

6.9 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.10 Additional Shares. In the event that subsequent to the date of this Agreement any shares or other securities are issued on, or in exchange for, any of the Key Holder Shares or Investor Shares by reason of any stock dividend, stock split, combination of shares, reclassification or the like, such shares or securities shall be deemed to be Key Holder Shares or Investor Shares, as the case may be, for purposes of this Agreement.

6.11 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company shall issue additional shares of its Preferred Stock pursuant to the Purchase Agreement, any purchaser of such shares of Preferred Stock shall become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "***Investor***," a "***Holder***" and a party hereunder. Notwithstanding anything to the contrary contained herein, if the Company shall issue Equity Securities in accordance with Section 4.6 (c), (e) or (h) of this Agreement, any purchaser of such Equity Securities may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "***Investor***," a "***Holder***" and a party hereunder.

6.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

6.13 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities or persons or persons or entities under common management or control shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

6.14 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

6.15 Termination. This Agreement shall terminate and be of no further force or effect upon the earlier of (i) an Acquisition; or (ii) the date three (3) years following the closing of the Initial Offering that results in the conversion of all outstanding shares of Preferred Stock.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

COMPANY:

TILRAY, INC.

By:_____

Name:_____

Title:_____

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

INVESTORS:

AC Anson Investments Ltd

By: _____

Name: Moez Kassam

Title: Director, Anson Advisors Inc, Investment Manager

Address: 155 University Ave, Suite 207

Toronto, ON, M5H 3B7

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

KEY HOLDERS:

PRIVATEER HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Address: _____

_____

_____

EXHIBIT A

LIST OF KEY HOLDERS

Privateer Holdings, Inc.

EXECUTION VERSION

TILRAY, INC.

SERIES A PREFERRED STOCK PURCHASE AGREEMENT

THIS SERIES A PREFERRED STOCK PURCHASE AGREEMENT (the "***Agreement***") is made and entered into as of February __, 2018, by and among **TILRAY, INC.**, a Delaware corporation (the "***Company***"), and each of those persons and entities, severally and not jointly, whose names are set forth on the signature pages hereto (which persons and entities are hereinafter collectively referred to as "***Purchasers***" and each individually as a "***Purchaser***").

RECITALS

WHEREAS, the Company has authorized the sale and issuance of an aggregate of Eight Million (8,000,000) its Series A Preferred Stock (the "***Shares***");

WHEREAS, Purchasers desire to purchase the Shares on the terms and conditions set forth herein; and

WHEREAS, the Company desires to issue and sell the Shares to Purchasers on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties, and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO SELL AND PURCHASE.

1.1 Authorization of Shares. The Company has authorized (a) the sale and issuance to Purchasers of the Shares, and (b) the issuance of such shares of Class 2 Common Stock to be issued upon conversion of the Shares (the "***Conversion Shares***"). The Shares and the Conversion Shares have the rights, preferences, privileges and restrictions set forth in the Certificate of Incorporation of the Company, in the form attached hereto as **Exhibit A** (the "***Charter***").

1.2 Sale and Purchase. Subject to the terms and conditions hereof, at the Closing (as hereinafter defined) the Company hereby agrees to issue and sell to each Purchaser, and each Purchaser agrees to purchase from the Company, severally and not jointly, the number of Shares set forth on such Purchaser's signature page, at a purchase price of C$8.8727 per share.

2. CLOSING, DELIVERY AND PAYMENT.

2.1 Closing. The closing of the sale and purchase of the Shares under this Agreement (the "***Closing***") shall take place at 1:00 p.m. on the date hereof, at the offices of Cooley LLP, 1700 Seventh Avenue, Suite 1900, Seattle, WA, 98101, or at such other time or

place as the Company and Purchasers may mutually agree (such date is hereinafter referred to as the "***Closing Date***").

2.2 Delivery. At the Closing, subject to the terms and conditions hereof, the Company will deliver to each Purchaser a certificate representing the number of Shares to be purchased at the Closing by such Purchaser, against payment of the purchase price therefor by check, wire transfer made payable to the order of the Company, or any combination of the foregoing.

2.3 Subsequent Sales of Shares. At any time on or before the date that is thirty (30) days following the date of the Closing or at such later time as the Company and the holders of a majority of the Shares purchased at the Closing (pursuant to Section 2.1) may mutually agree, the Company may sell up to the balance of the authorized Shares not sold at the Closing to such persons as may be approved by the Company (the "***Additional Purchasers***"). All such sales made at any additional closings (each an "***Additional Closing***"), shall be made on the terms and conditions set forth in this Agreement, and (i) the representations and warranties of the Company set forth in Section 3 hereof (and the Schedule of Exceptions) shall speak as of the Closing and the Company shall have no obligation to update any such disclosure, and (ii) the representations and warranties of the Additional Purchasers in Section 4 hereof shall speak as of such Additional Closing. Additional Purchaser signature pages may be added to this Agreement without the consent of the Purchasers to include any Additional Purchasers upon the execution by such Additional Purchasers of a counterpart signature page hereto. Any shares of Series A Preferred Stock sold pursuant to this Section 2.3 shall be deemed to be "Shares" for all purposes under this Agreement and any Additional Purchasers thereof shall be deemed to be "Purchasers" for all purposes under this Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Except as set forth on a Schedule of Exceptions delivered by the Company to Purchasers at the Closing, the Company hereby represents and warrants to each Purchaser as of the date of this Agreement as set forth below.

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Section 3.1 of the Schedule of Exceptions lists each subsidiary of the Company and any other entity in which the Company owns (directly or indirectly) more than 20% of the outstanding capital stock of such entity. Each of the Company's subsidiaries is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation. The Company has all requisite corporate power and authority to own and operate its properties and assets, to execute and deliver this Agreement and the Investor Rights Agreement in the form attached hereto as **Exhibit B** (the "***Investor Rights Agreement***"), to issue and sell the Shares and the Conversion Shares, and to carry out the provisions of this Agreement, the Investor Rights Agreement and the Charter and to carry on its business as presently conducted. Each of the Company's subsidiaries has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as presently conducted. The Company and each of its subsidiaries is duly qualified to do business and is in good standing as a foreign entity in all jurisdictions in which the nature of its activities and of its properties (both owned and leased)

makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or such subsidiary, as applicable or the Company or such subsidiary's business, as applicable.

3.2 Capitalization; Voting Rights.

(a) The authorized capital stock of the Company, immediately prior to the Closing, consists of (i) 100,000,000 shares of Class 1 Common Stock, par value C$0.0001 per share, 75,000,000 shares of which are issued and outstanding, (ii) 100,000,000 shares of Class 2 Common Stock, par value C$0.0001 per share, none of which are issued and outstanding, (iii) 15,000,000 shares of Class 3 Common Stock, par value C$0.0001 per share, none of which are issued and outstanding, and (iv) 8,000,000 shares of Preferred Stock, par value C$0.0001 per share, all of which are designated Series A Preferred Stock, none of which are issued and outstanding.

(b) Under the Company's 2018 Equity Incentive Plan (the "***Plan***"), (i) no shares have been issued pursuant to restricted share purchase agreements and/or the exercise of outstanding options, (ii) no options to purchase shares of Class 3 Common Stock have been granted and are currently outstanding, and (iii) 6,711,621 shares of Class 3 Common Stock remain available for future issuance to officers, directors, employees and consultants of the Company. The Company has not made any representations regarding equity incentives to any officer, employee, director or consultant.

(c) Other than (i) the shares reserved for issuance under the Plan and (ii) except as may be granted pursuant to this Agreement and the Investor Rights Agreement, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), proxy or stockholder agreements, or agreements of any kind for the purchase or acquisition from the Company of any of its securities.

(d) Either the Company or a wholly owned subsidiary of the Company holds 100% of the outstanding interests in each subsidiary. There are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), proxy or stockholder agreements, or agreements of any kind for the purchase or acquisition from the Company or any subsidiary of the Company of any of such subsidiary's securities.

(e) All issued and outstanding shares of the Company's Common Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable, (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities; and (iii) are subject to a right of first refusal in favor of the Company upon transfer.

(f) The rights, preferences, privileges and restrictions of the Shares are as stated in the Charter. The Conversion Shares have been duly and validly reserved for issuance. When issued in compliance with the provisions of this Agreement and the Charter, the Shares and the Conversion Shares will be validly issued, fully paid and nonassessable, and will be free of any liens or encumbrances other than (i) liens and encumbrances created by or imposed upon the Purchasers and (ii) any right of first refusal set forth in the Company's Bylaws; provided, however, that the Shares and the Conversion Shares may be subject to

restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time a transfer is proposed. The sale of the Shares and the subsequent conversion of the Shares into Conversion Shares are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

(g) All outstanding shares of Common Stock and Preferred Stock, and all shares of Common Stock and Preferred Stock issuable upon the exercise or conversion of outstanding options, warrants or other exercisable or convertible securities are subject to a market standoff or "lockup" agreement of not less than 180 days following the Company's initial public offering.

(h) No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "Disqualification Event") is applicable to the Company or, to the Company's knowledge, any Company Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable.

3.3 Authorization; Binding Obligations. All corporate action on the part of the Company, each subsidiary of the Company, the Company's officers, directors and stockholders, and the officers, directors and stockholders of each subsidiary of the Company necessary for the authorization of this Agreement and the Investor Rights Agreement, the performance of all obligations of the Company hereunder and thereunder at the Closing and the authorization, sale, issuance and delivery of the Shares pursuant hereto and the Conversion Shares pursuant to the Charter has been taken. The Agreement and the Investor Rights Agreement, when executed and delivered, will be valid and binding obligations of the Company enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, (b) general principles of equity that restrict the availability of equitable remedies, and (c) to the extent that the enforceability of the indemnification provisions in the Investor Rights Agreement may be limited by applicable laws.

3.4 Obligations to Related Parties. There are no obligations of the Company or any subsidiary of the Company to officers, directors, stockholders, or employees of the Company or any subsidiary of the Company other than (a) for payment of salary for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Company or any subsidiary of the Company and (c) for other standard employee benefits made generally available to all employees (including stock option agreements outstanding under any stock option plan approved by the Board of Directors of the Company). None of the officers, directors or, to the best of the Company's knowledge, key employees or stockholders of the Company or any subsidiary of the Company or any members of their immediate families, is indebted to the Company or any subsidiary of the Company or has any direct or indirect ownership interest in any firm or corporation with which the Company or any subsidiary of the Company is affiliated or with which the Company or any subsidiary of the Company has a business relationship, or any firm or corporation that competes with the Company or any subsidiary of the Company, other than (i) passive investments in publicly traded companies (representing less than one percent (1%) of such company) which may compete with the Company or any subsidiary of the

Company and (ii) investments by venture capital funds with which directors of the Company or any subsidiary of the Company may be affiliated and service as a board member of a company in connection therewith due to a person's affiliation with a venture capital fund or similar institutional investor in such company. No officer, director or stockholder, or any member of their immediate families, is, directly or indirectly, interested in any material contract with the Company or any subsidiary of the Company (other than such contracts as relate to any such person's ownership of capital stock or other securities of the Company or a subsidiary of the Company).

3.5 Title to Properties and Assets; Liens, Etc. The Company and each subsidiary of the Company has good and marketable title to their respective properties and assets, in each case subject to no mortgage, pledge, lien, lease, encumbrance or charge, other than (a) those resulting from taxes which have not yet become delinquent, (b) minor liens and encumbrances which do not materially detract from the value of the property subject thereto or materially impair the operations of the Company or such subsidiary of the Company, and (c) those that have otherwise arisen in the ordinary course of business, none of which (individually or in the aggregate) are material.

3.6 Compliance with Other Instruments. Neither the Company nor any subsidiary of the Company is in violation or default of any term of its charter documents, each as amended, or of any provision of any mortgage, indenture, contract, lease, agreement, instrument or contract to which it is party or by which it is bound or of any judgment, decree, order or writ other than any such violation (individually or in the aggregate) that would not have a material adverse effect on the Company or such subsidiary of the Company. The execution, delivery, and performance of and compliance with this Agreement, and the Investor Rights Agreement, and the issuance and sale of the Shares pursuant hereto and of the Conversion Shares pursuant to the Charter, will not, with or without the passage of time or giving of notice, result in any such material violation, or be in conflict with or constitute a material default under any such term or provision, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company or any subsidiary of the Company or the suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to the Company or any subsidiary of the Company, their respective businesses or operations or any of their respective assets or properties. To its knowledge, the Company and each subsidiary of the Company have avoided every condition, and have not performed any act, the occurrence of which would result in the Company's or any subsidiary of the Company's loss of any material right granted under any license, distribution agreement or other agreement required to be disclosed on the Schedule of Exceptions.

3.7 Litigation. There is no action, suit, proceeding or investigation pending or, to the Company's knowledge, currently threatened in writing against the Company or any subsidiary of the Company that would reasonably be expected to result, either individually or in the aggregate, in any material adverse change in the assets, condition or affairs of the Company or any subsidiary of the Company, financially or otherwise, or any change in the current equity ownership of the Company or any subsidiary of the Company or that questions the validity of this Agreement or the Investor Rights Agreement or the right of the Company to enter into any of such agreements, or to consummate the transactions contemplated hereby or thereby. The foregoing includes, without limitation, actions pending or, to the Company's knowledge,

threatened in writing involving the prior employment of any of the Company's or any subsidiary of the Company's employees, such employees' use in connection with the Company's or subsidiary of the Company's business of any information or techniques allegedly proprietary to any of their former employers, or such employees' obligations under any agreements with prior employers. Neither the Company nor any subsidiary of the Company is a party or, to the Company's knowledge, subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company or any subsidiary of the Company currently pending or which the Company or any subsidiary of the Company intends to initiate.

3.8 Tax Returns and Payments. The Company is and always has been a subchapter C corporation. The Company and each subsidiary of the Company has filed all material tax returns (federal, state and local) required to be filed by them. All taxes shown to be due and payable on such returns, any assessments imposed, and to the Company's knowledge all other taxes due and payable by the Company or such subsidiary of the Company on or before the Closing, have been paid or will be paid prior to the time they become delinquent. Neither the Company nor any subsidiary of the Company has been advised (a) that any of its returns, federal, state or other, have been or are being audited as of the date hereof, or (b) of any deficiency in assessment or proposed judgment to its federal, state or other taxes. The Company has no knowledge of any liability of any tax to be imposed upon its or any subsidiary of the Company's properties or assets as of the date of this Agreement that is not adequately provided for.

3.9 Obligations of Management. Except as described in Section 3.9 of the Schedule of Exceptions, each officer and key employee of the Company and each subsidiary of the Company is currently devoting substantially all of his or her business time to the conduct of the business of the Company or such subsidiary of the Company. The Company is not aware that any officer or key employee of the Company or any subsidiary of the Company is planning to work less than full time at the Company in the future. No officer or key employee of the Company or any subsidiary of the Company is currently working or, to the Company's knowledge, plans to work for a competitive enterprise, whether or not such officer or key employee is or will be compensated by such enterprise.

3.10 Registration Rights and Voting Rights. Except as required pursuant to the Investor Rights Agreement, the Company is presently not under any obligation, and has not granted any rights, to register under the Securities Act of 1933, as amended (the "***Securities Act***"), any of the Company's presently outstanding securities or any of its securities that may hereafter be issued. To the Company's knowledge, except as contemplated in the Investor Rights Agreement, no stockholder of the Company has entered into any agreement with respect to the voting of equity securities of the Company.

3.11 Compliance with Laws; Permits. To the Company's knowledge, neither the Company nor any subsidiary of the Company is in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties, which violation would materially and adversely affect the business, assets, liabilities, financial condition or operations of the Company or any subsidiary of the Company. No domestic governmental orders, permissions, consents, approvals or authorizations are required to be

obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of this Agreement or the issuance of the Shares or the Conversion Shares, except such as have been duly and validly obtained or filed, or with respect to any filings that must be made after the Closing, as will be filed in a timely manner. The Company and each subsidiary of the Company have all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by the Company and such subsidiary of the Company, the lack of which could materially and adversely affect the business, assets, properties or financial condition of the Company or such subsidiary of the Company, and the Company believes the Company and each subsidiary of the Company can obtain, without undue burden or expense, any similar authority for the conduct of the Company's business and such subsidiary of the Company's business as planned to be conducted.

3.12 Offering Valid. Assuming the accuracy of the representations and warranties of Purchasers contained in Section 4.2 hereof, the offer, sale and issuance of the Shares and the Conversion Shares will be exempt from the registration requirements of the Securities Act, and will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws. Neither the Company nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the Shares to any person or persons so as to bring the sale of such Shares by the Company within the registration provisions of the Securities Act or any state securities laws.

3.13 Full Disclosure. The Company has provided Purchasers with all information requested by the Purchasers in connection with their decision to purchase the Shares. To the Company's knowledge, neither this Agreement, the exhibits hereto, the Investor Rights Agreement nor any other document delivered by the Company to Purchasers in connection herewith or therewith at the Closing or with the transactions contemplated hereby or thereby, contain any untrue statement of a material fact nor, to the Company's knowledge, omit to state a material fact necessary in order to make the statements contained herein or therein not misleading.

3.14 Real Property Holding Corporation. The Company is not a real property holding corporation within the meaning of Code Section 897(c)(2) and any regulations promulgated thereunder.

3.15 Executive Officers. To the knowledge of the Company, no executive officer or person nominated to become an executive officer of the Company or any subsidiary of the Company (i) has been convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding minor traffic violations) or (ii) is or has been subject to any judgment or order of, the subject of any pending civil or administrative action by the Securities and Exchange Commission or any self-regulatory organization.

3.16 Foreign Corrupt Practices Act. Neither the Company nor, to the Company's knowledge, any of the Company's directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "***FCPA***")), foreign political party

or official thereof or candidate for foreign political office in violation of the FCPA for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Company or any of its affiliates in obtaining or retaining business for or with, or directing business to, any person.

3.17 Brokers. The Company is not bound by or subject to any agreement with any person which will result in the Company being obligated to pay any finder's fee or commission in connection with this transaction, other than the fees payable by the Company to Cowen and Company, LLC. The Company is not bound by or subject to any agreement with any person which will result in any Purchaser being obligated to pay any finder's fees or commission in connection with this transaction.

4. REPRESENTATIONS AND WARRANTIES OF PURCHASERS.

Each Purchaser hereby represents and warrants to the Company, severally and not jointly, as follows (provided that such representations and warranties do not lessen or obviate the representations and warranties of the Company set forth in this Agreement):

4.1 Requisite Power and Authority. Purchaser has all necessary power and authority to execute and deliver this Agreement and the Investor Rights Agreement and to carry out their provisions. All action on Purchaser's part required for the lawful execution and delivery of this Agreement and the Investor Rights Agreement has been taken. Upon their execution and delivery, this Agreement and the Investor Rights Agreement will be valid and binding obligations of Purchaser, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, (b) as limited by general principles of equity that restrict the availability of equitable remedies, and (c) to the extent that the enforceability of the indemnification provisions of the Investor Rights Agreement may be limited by applicable laws.

4.2 Investment Representations. Purchaser understands that neither the Shares nor the Conversion Shares have been registered under the Securities Act. Purchaser also understands that the Shares are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Purchaser's representations contained in the Agreement. Purchaser hereby represents and warrants as follows:

(a) Purchaser Bears Economic Risk. Purchaser has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so that it is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests. Purchaser must bear the economic risk of this investment indefinitely unless the Shares (or the Conversion Shares) are registered pursuant to the Securities Act, or an exemption from registration is available. Purchaser understands that the Company has no present intention of registering the Shares, the Conversion Shares or any shares of its Common Stock. Purchaser also understands that there is no assurance that any exemption from registration under the Securities Act will be

available and that, even if available, such exemption may not allow Purchaser to transfer all or any portion of the Shares or the Conversion Shares under the circumstances, in the amounts or at the times Purchaser might propose.

(b) Acquisition for Own Account. Purchaser is acquiring the Shares and the Conversion Shares for Purchaser's own account for investment only, and not with a view towards their distribution.

(c) Purchaser Can Protect Its Interest. Purchaser represents that by reason of its, or of its management's, business or financial experience, Purchaser has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement, and the Investor Rights Agreement. Further, Purchaser is aware of no publication of any advertisement in connection with the transactions contemplated in the Agreement.

(d) Accredited Investor. Purchaser represents that it is an accredited investor within the meaning of Regulation D under the Securities Act.

(e) Company Information. Purchaser has had an opportunity to discuss the Company's business, management and financial affairs with directors, officers and management of the Company and has had the opportunity to review the Company's operations and facilities. Purchaser has also had the opportunity to ask questions of and receive answers from, the Company and its management regarding the terms and conditions of this investment.

(f) Rule 144. Purchaser acknowledges and agrees that the Shares, and, if issued, the Conversion Shares are "restricted securities" as defined in Rule 144 promulgated under the Securities Act as in effect from time to time and must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144 and the number of shares being sold during any three-month period not exceeding specified limitations.

(g) Residence. If Purchaser is an individual, then Purchaser resides in the state or province identified in the address of Purchaser set forth on each Purchaser's signature page; if Purchaser is a partnership, corporation, limited liability company or other entity, then the office or offices of Purchaser in which its investment decision was made is located at the address or addresses of Purchaser set forth on such Purchaser's signature page.

(h) Foreign Investors. If Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Shares or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any government or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that

may be relevant to the purchase, holding, redemption, sale or transfer of the Shares. The Company's offer and sale and Purchaser's subscription and payment for and continued beneficial ownership of the Shares will not violate any applicable securities or other laws of Purchaser's jurisdiction.

4.3 Transfer Restrictions. Each Purchaser acknowledges and agrees that the Shares and, if issued, the Conversion Shares are subject to restrictions on transfer as set forth in the Investor Rights Agreement.

5. CONDITIONS TO CLOSING.

5.1 Conditions to Purchasers' Obligations at the Closing. Purchasers' obligations to purchase the Shares at the Closing are subject to the satisfaction, at or prior to the Closing Date, of the following conditions:

(a) Representations and Warranties True; Performance of Obligations. The representations and warranties made by the Company in Section 3 hereof shall be true and correct as of the Closing Date with the same force and effect as if they had been made as of the Closing Date, and the Company shall have performed all obligations and conditions herein required to be performed or observed by it on or prior to the Closing.

(b) Legal Investment. On the Closing Date, the sale and issuance of the Shares and the proposed issuance of the Conversion Shares shall be legally permitted by all laws and regulations to which Purchasers and the Company are subject.

(c) Consents, Permits, and Waivers. The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Agreement and the Investor Rights Agreement except for such as may be properly obtained subsequent to the Closing.

(d) Corporate Documents. The Company shall have delivered to Purchasers copies of all corporate documents of the Company as Purchasers shall reasonably request.

(e) Reservation of Conversion Shares. The Conversion Shares issuable upon conversion of the Shares shall have been duly authorized and reserved for issuance upon such conversion.

(f) Investor Rights Agreement. The Investor Rights Agreement substantially in the form attached hereto as **Exhibit B** shall have been executed and delivered by the parties thereto.

(g) Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing hereby and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to Purchasers, and Purchasers shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

5.2 Conditions to Obligations of the Company. The Company's obligation to issue and sell the Shares at each Closing is subject to the satisfaction, on or prior to such Closing, of the following conditions:

(a) Representations and Warranties True. The representations and warranties in Section 4 made by those Purchasers acquiring Shares hereof shall be true and correct at the date of the Closing, with the same force and effect as if they had been made on and as of said date.

(b) Performance of Obligations. Such Purchasers shall have performed and complied with all agreements and conditions herein required to be performed or complied with by such Purchasers on or before the Closing.

(c) Investor Rights Agreement. The Investor Rights Agreement substantially in the form attached hereto as **Exhibit B** shall have been executed and delivered by Purchasers.

(d) Consents, Permits, and Waivers. The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Agreement and the Investor Rights Agreement (except for such as may be properly obtained subsequent to the Closing).

6. MISCELLANEOUS.

6.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and performed entirely within Delaware, without giving effect to conflict of law principles thereof. The parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby submit to the jurisdiction and venue of, any state or federal court located in the County of King, Washington, United States.

6.2 Survival. The representations, warranties, covenants and agreements made herein shall survive the closing of the transactions contemplated hereby. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the Company hereunder solely as of the date of such certificate or instrument. The representations, warranties, covenants and obligations of the Company, and the rights and remedies that may be exercised by the Purchasers, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of, any of the Purchasers or any of their representatives.

6.3 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors, assigns, heirs, executors and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of the Shares from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of

the transfer of any Shares specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such Shares in its records as the absolute owner and holder of such Shares for all purposes.

6.4 Entire Agreement. This Agreement, the exhibits and schedules hereto, the Investor Rights Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable for or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein.

6.5 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.6 Amendment and Waiver. This Agreement may be amended or modified, and the obligations of the Company and the rights of the holders of the Shares and the Conversion Shares under the Agreement may be waived, only upon the written consent of the Company and holders of a majority of the Shares purchased or agreed to be purchased pursuant to this Agreement (treated as if converted and including any Conversion Shares into which the then outstanding Shares have been converted that have not been sold to the public).

6.7 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement, the Investor Rights Agreement or the Charter, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any party's part of any breach, default or noncompliance under this Agreement, the Investor Rights Agreement or under the Charter or any waiver on such party's part of any provisions or conditions of the Agreement, the Investor Rights Agreement, or the Charter must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, the Investor Rights Agreement, the Charter, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

6.8 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address as set forth on the signature page hereof and to Purchaser at the address set forth on such Purchaser's signature page hereto or at such other address or electronic mail address as the

Company or Purchaser may designate by ten (10) days advance written notice to the other parties hereto.

6.9 Expenses. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of the Agreement.

6.10 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

6.11 Titles and Subtitles. The titles of the sections and subsections of the Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

6.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

6.13 Broker's Fees. Each party hereto represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party hereto is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein. Each party hereto further agrees to indemnify each other party for any claims, losses or expenses incurred by such other party as a result of the representation in this Section 6.13 being untrue.

6.14 Exculpation Among Purchasers. Each Purchaser acknowledges that it is not relying upon any person, firm, or corporation, other than the Company and its officers and directors, in making its investment or decision to invest in the Company. Each Purchaser agrees that no Purchaser nor the respective controlling persons, officers, directors, partners, agents, or employees of any Purchaser shall be liable to any other Purchaser for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the purchase of the Shares and Conversion Shares.

6.15 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

6.16 California Corporate Securities Law. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION OR IN THE ABSENCE OF AN EXEMPTION FROM SUCH QUALIFICATION IS UNLAWFUL. PRIOR TO ACCEPTANCE OF SUCH CONSIDERATION BY THE COMPANY, THE RIGHTS OF ALL PARTIES TO THIS

AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED OR AN EXEMPTION FROM SUCH QUALIFICATION BEING AVAILABLE.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have executed the **SERIES A PREFERRED STOCK PURCHASE AGREEMENT** as of the date set forth in the first paragraph hereof.

COMPANY:

TILRAY, INC.

Signature:_____

Print Name:_____

Title:_____

Address: _____

_____

IN WITNESS WHEREOF, the parties hereto have executed the **SERIES A PREFERRED STOCK PURCHASE AGREEMENT** as of the date set forth in the first paragraph hereof.

PURCHASER(S):

Anson Investments Master Fund LP

Signature: 

Print Name: Moez Kassam

Title: Director, Anson Advisors Inc, Co-Investment Advisor
(*if applicable*)

Address: 155 University Ave, Suite 207

Toronto, ON, M5H 3B7

Number of Shares	**Purchase Price**
1,239,758	C$ 11,000,000 (8.8727/share)

LIST OF EXHIBITS

Charter	Exhibit A
Investor Rights Agreement	Exhibit B

EXHIBIT A

CHARTER

EXHIBIT B

INVESTOR RIGHTS AGREEMENT

From:	Moral, Martin
To:	Tony Moore
Cc:	Moez Kassam; Anson Operations; Banquier, Steve; Healy, Sarah
Subject:	RE: Medmen
Date:	Thursday, September 6, 2018 12:23:12 PM
Attachments:	Medmen - Filing stt.pdf MedMen - Preliminary Base Shelf Prospectus _CBB Draft - June 29 2018__2....pdf Anson - Medmen Convertible Promissory Note - Anson Investments Master Fu....pdf Anson - Medmen Convertible Promissory Note - AC Anson Investments.pdf Anson - Medmen Convertible Promissory Note - Anson Catalyst Master Fund.pdf Anson - Medmen Convertible Promissory Note - Anson Opportunities Master ....pdf

Hi Tony, I received these from Ameez yesterday. Unfortunately, these are promissory notes and are not considered certificates. We can't provide offset nor can we hold them in our vault.

Per our discussion a few minutes ago, send us a copy of the TLRY certificate if you have it. Or if you have an email indicating that they are in the process of creating the cert, send it our way as well.

Marty

From: Tony Moore [mailto:tmoore@ansonfunds.com]
Sent: Thursday, September 06, 2018 9:26 AM
To: Moral, Martin
Cc: Moez Kassam; Anson Operations
Subject: FW: Medmen

Hi Marty,

Can you please take a look at this documentation and let us know your thoughts?

Thanks,

Tony Moore, CFA, CPA
COO/CFO
Anson Funds
5950 Berkshire Lane | Suite 210 | Dallas, TX 75225
214.866.0200 office | 214.276.1395 fax
tmoore@ansonfunds.com

From: Moez Kassam
Sent: Thursday, September 6, 2018 8:19 AM
To: Anson Operations <operations@ansonfunds.com>
Subject: FW: Medmen

Should get margin on this too
Follow up with td pls

Moez Kassam | Anson Funds
Phone: (416) 447-8874 | Mobile: (416) 500-9999

From: Sunny Puri
Sent: September 5, 2018 8:24 PM
To: Moez Kassam <mkassam@ansonfunds.com>; Jay Lubinsky <jay@ansonfunds.com>
Cc: Amin Nathoo <anathoo@ansonfunds.com>
Subject: RE: Medmen

Attached: converts per fund. Prospectus filed a few weeks ago that not cleared (prelim). Filing stt. Let me know what else you need.

From: Moez Kassam
Sent: September 5, 2018 10:54 AM
To: Sunny Puri <spuri@ansonfunds.com>; Jay Lubinsky <jay@ansonfunds.com>
Cc: Amin Nathoo <anathoo@ansonfunds.com>
Subject: FW: Medmen

Whos got this

Moez Kassam | Anson Funds
Phone: (416) 447-8874 | Mobile: (416) 500-9999

From: Tony Moore
Sent: September 5, 2018 10:54 AM
To: Anson Operations <operations@ansonfunds.com>
Cc: Moez Kassam <mkassam@ansonfunds.com>; Amin Nathoo <anathoo@ansonfunds.com>; Jay Lubinsky <jay@ansonfunds.com>
Subject: Medmen

Hello,

Can someone please send a copy of the certificate for the Medmen convertible along with the prospectus? It's possible we can get some margin offset on this but TD's team needs to review the details.

Please confirm when done.

Copy Martin Moral on the email

Thanks,

Tony Moore, CFA, CPA

COO/CFO
Anson Funds
5950 Berkshire Lane | Suite 210 | Dallas, TX 75225
214.866.0200 office | 214.276.1395 fax
tmoore@ansonfunds.com

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CONVERTIBLE PROMISSORY NOTE

No. CN-2018-002 **Date of Issuance:**

US$1,250,000 **May 10, 2018**

FOR VALUE RECEIVED, MM CAN USA, INC., a Delaware corporation (the "**Company**"), hereby promises to pay to the order of **ANSON CATALYST MASTER FUND LP, BY ITS CO-INVESTMENT ADVISER, ANSON ADVISORS INC.** (the "**Holder**"), the principal sum of US$1,250,000 (the "**Principal Amount**"), together with interest thereon from the date of issuance of this convertible promissory note (this "**Note**"). Interest will accrue at a simple rate of 5.00% per annum. Unless earlier converted into Conversion Shares (as defined below), the principal of this Note will be due and payable by the Company on the date which is three (3) months from the date hereof (the "**Maturity Date**"); provided that, upon completion by the Company of a "go-public" transaction on a recognized exchange in Canada, substantially upon the terms and conditions set forth in the draft management information circular (the "**Circular**") delivered to the Holder (together with the accompanying subscription receipt financing, the "**RTO**"), the Maturity Date will automatically be extended to the date that is 24 months from the date hereof. The Canadian parent company of the Company following completion of the RTO is referred to herein as the "**Resulting Issuer**". Further, the Company, the Resulting Issuer, MedMen Enterprises USA, LLC, a Delaware limited liability company ("**MME**") and their respective subsidiaries through which MME and the Company intend to pursue the RTO are collectively referred to as the "**Enterprise**".

1. Payment.

1.1 All payments will be made in lawful money of the United States at the principal office of the Company, or at such other place as the Holder may from time to time designate in writing to the Company. Payment will be credited first to accrued interest due and payable, with any remainder applied to principal.

1.2 The Company shall pay simple interest on that portion of the Principal Amount outstanding from time to time from the date of issuance of this Note up to and including the date of repayment of the Principal Amount at the rate of 5.00% per annum, computed on a daily basis on a year of 365 days. The interest will be payable quarterly in arrears throughout the life of the Note.

1.3 In connection with the issuance of this Note, the Company shall also issue to Holder warrants to acquire up to fifty percent (50%) of the Conversion Shares (defined below) underlying this Note (the "**Warrant**") which Warrant shall be in the form attached hereto as Schedule "B".

2. Ranking. This Note is a senior unsecured obligation of the Company and shall rank pari passu with all other current and future senior unsecured debt of the Company.

3. Conversion of Note.

3.1 Conversion. As of the date hereof, the unpaid Principal Amount of this Note will be convertible by the Holder, in whole or in part, upon written notice to the Company, into Class B Common Shares (the "**Common Shares**") of the Company ("**Conversion Shares**", and together with the Note and the Warrant, the "**Securities**"), at a conversion price of US$3.15 per Common Share, representing a valuation for the Enterprise of US$1.24 billion (i.e. 75% of a $1.65 billion valuation of the Enterprise) (the "**Conversion Price**"); provided that if the valuation of the Enterprise in a Liquidity Event (as defined herein) is less or more than US$1.65 billion, the conversion price shall automatically be reduced or increased to equal 75% of the valuation of the Enterprise in such Liquidity Event.

3.2 For purposes of this Note, "**Liquidity Event**" is defined as the occurrence of any of: (a) a listing of the securities of the Company or successor public issuer on a recognized stock exchange, by way of an initial public offering, reverse merger or other listing transaction, including, for clarity, the RTO, or (b) prior to the RTO, (i) the dissolution or liquidation of the Company; (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company, (iii) the acquisition of the Company through consolidation, merger, exchange of securities, amalgamation, statutory arrangement or otherwise, but expressly excluding any "intra group transfer" to allow shareholders of the Company that are entities to transfer or distribute equity interests within their group of affiliated persons or entities; or (iv) a Change of Control. For purposes of this Note, a "**Change of Control**" is defined as any transaction or series of related transactions after which any person or entity which does directly or indirectly own equity interests in the Company as of date hereof, acquires more than 50% of the voting interests of the Company, but expressly excluding any "intra group transfer" to allow shareholders of the Company that are entities to transfer or distribute equity interests within their group of affiliated persons or entities.

3.3 In the event that the Company does not complete the RTO prior to the Maturity Date, the Principal Amount repayable upon the Maturity Date shall be equal to US$5.25 million, plus accrued and unpaid interest.

3.4 If, during the term of the Note, the Company proposes to complete a Liquidity Event other than the RTO, it shall provide 10 days' prior written notice of such Liquidity Event including the terms thereof to the Holder. The Holder shall then have the option, upon written notice to the Company delivered prior to the effective date of such Liquidity Event, to "put" or require the Company to redeem the Note at a redemption price equal to 101% of the then-outstanding Principal Amount of the Note.

3.5 Manner of Exercise of Right of Conversion.

(a) If the Holder wishes to convert this Note in whole or in part into Conversion Shares, it shall surrender such Note to the Company together with the Conversion Form attached hereto as Schedule "A", duly executed by the Holder or its executors or administrators or other legal representatives or its or their attorney duly appointed by an instrument, irrevocably exercising its right to convert such Note in accordance with the provisions of this Article 3. Thereupon, the Holder or its nominee or assignee, shall be entitled to be entered in the books of the Company (and, following the RTO, the Resulting Issuer) as at the date of conversion as the holder of the number

of Conversion Shares (and, following the RTO, underlying Resulting Issuer shares) into which such Note is convertible in accordance with the provisions hereof and, as soon as practicable and in any event within three business days thereafter, the Company shall deliver to the Holder or, subject as aforesaid, its nominee or assignee, a certificate for such Conversion Shares (or, following the RTO, underlying Resulting Issuer shares) in certificated form, or by way of non-certificated issuance, at the sole discretion of the Holder.

(b) Any part of this Note may be converted as provided herein. If only part of this Note is converted, the Holder shall upon the exercise of its right of conversion, surrender this Note to the Company, and the Company shall cancel the same and shall, without charge, forthwith certify and deliver to the Holder a new Note in the aggregate principal amount equal to the unconverted part of the principal amount of this Note.

(c) Upon surrender of this Note for conversion in accordance with this Section 3.5, the Holder shall be entitled to receive accrued and unpaid interest in cash paid by the Company in respect of the portion so converted only for the period up to the date of conversion. The Conversion Shares issued upon conversion, shall from and after the date of conversion, for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

3.6 Reservation of Common Shares Issuable Upon Conversion. The Company shall at all times while this Note remains outstanding reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of effecting the conversion of this Note such number of its Common Shares as would from time to time be sufficient to effect the conversion of this Note into Conversion Shares, and if at any time the number of authorized but unissued Common Shares shall not be sufficient to effect the conversion of this Note, the Company will take such corporate action as may be necessary to increase its authorized but unissued Common Shares to such number of securities as shall be sufficient for such purpose. All Conversion Shares issued hereunder shall be duly and validly issued as fully paid and non-assessable.

3.7 Payment of Interest Upon Conversion. Any accrued but unpaid interest at the time of conversion shall be payable to the Holder in cash by the Company.

3.8 Capital Adjustments.

(a) In the event that the Common Shares are subject to any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting the Common Shares, the number of Conversion Shares which are the subject of the conversion and the exercise price therefore shall be likewise adjusted in order to reflect the change (for the purpose of preserving the value of such conversion), with respect to the number or kind of shares or other securities of the Company subject to the Conversion and the exercise price of the conversion. The Company covenants to provide the Holder with prior written notice of any transaction giving rise to an adjustment hereunder. For clarity, as and from

completion of the RTO, this Note shall upon exercise entitle the Holder to receive Common Shares of the Company which Common Shares shall be exchangeable on an economically equivalent basis into common shares of the Resulting Issuer.

4. Representations and Warranties of the Company. In connection with the transactions contemplated by this Note, the Company hereby represents and warrants to the Holder as follows:

4.1 Benefit of Agency Agreement. The Holder shall have the benefit of the representations and warranties made by the Company (and its affiliates, as applicable) to the agent and set forth in the agency agreement to be entered into in connection with the RTO. Such representations and warranties shall form an integral part of this Note.

4.2 Due Organization; Qualification and Good Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted; provided, it is currently contemplated that the Company will reorganize as a California corporation on or before the completion of the RTO. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify or to be in good standing would have a material adverse effect on the Company.

4.3 Capitalization. The share capitalization of the Company and its affiliates, as at the date hereof and as at closing of the RTO, is substantially as described in the Circular.

4.4 Authorization and Enforceability. Except for the authorization and issuance of the Conversion Shares, all corporate action has been taken on the part of the Company and its officers, directors and stockholders necessary for the authorization, execution and delivery of this Note. Except as may be limited by applicable bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights, the Company has taken all corporate action required to make all of the obligations of the Company reflected in the provisions of this Note valid and enforceable in accordance with its terms.

4.5 No Conflict. The Company is not in, and the performance of the Company's obligations hereunder will not result in, violation of (a) its constating documents, (b) any resolutions of the Company’s directors or shareholders, (c) applicable law, or (d) any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound.

4.6 Litigation. There are no actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding, pending or, to the best of the Company's knowledge, threatened against or affecting the Company, or the directors, officers or employees thereof, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of the Company's knowledge, there is no basis therefore and neither the Company 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, would materially adversely affect the ability of the Corporation to perform its obligations.

5. Representations and Warranties of the Holder. In connection with the transactions contemplated by this Note, the Holder hereby represents and warrants to the Company as follows:

5.1 Authorization. The Holder has full power and authority (and, if an individual, the capacity) to enter into this Note and to perform all obligations required to be performed by it hereunder. This Note, when executed and delivered by the Holder, will constitute the Holder's valid and legally binding obligation, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

5.2 Non-US Person. The Holder is not a "U.S. person", as defined in Regulation S under the Securities Act (which definition includes but is not limited to (A) any individual resident in the United States, (B) any partnership or corporation organized or incorporated under the laws of the United States, (C) any partnership or corporation formed by a U.S. person under the laws of any foreign jurisdiction principally for the purpose of investing in securities not registered under the Securities Act of 1933 (as amended, the "**Securities Act**"), or (D) any estate or trust of which any executor, administrator or trustee is a U.S. person), and is not acquiring the Securities, for the account or benefit of a "U.S. person" or person in the United States.

5.3 Offer Outside of the US. Holder was not offered to acquire the Securities in the United States, did not receive any materials relating to the offer of the Securities in the United States, and did not execute this Note in the United States.

5.4 No Registration. Holder is not acquiring the Securities as the result of any directed selling efforts (as defined in Rule 902(c) of the Securities Act) and the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the Securities Act.

5.5 No Distribution. Holder has no intention to distribute either directly or indirectly this Note or any of the Securities in the United States, except in compliance with the Securities Act and any applicable state securities laws.

5.6 No Registration. HOLDER UNDERSTANDS THAT THE OFFERING AND THE SALE OF THE SECURITIES HAS NOT BEEN REGISTERED UNDER THE LAWS OF ANY JURISDICTION (INCLUDING THE SECURITIES ACT), OR THE LAWS OF ANY STATE OF THE UNITED STATES OF AMERICA OR THE LAWS OF ANY FOREIGN JURISDICTION); AND FURTHER UNDERSTANDS THAT THE COMPANY HAS NOT BEEN, AND IS NOT ANTICIPATED TO BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "***INVESTMENT COMPANY ACT***").

5.7 Residence. If the Holder is an individual, then the Holder resides in the state or province identified in the address shown on the Holder's signature page hereto. If the Holder is a partnership, corporation, limited liability company or other entity, then the Holder's

principal place of business is located in the state or province identified in the address shown on the Holder's signature page hereto.

5.8 Information. The Holder has (i) received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Securities, (ii) had an opportunity to review, ask questions, and receive answers from the Company regarding such information and to obtain any additional information necessary to verify the accuracy of the information given Holder; (iii) such knowledge and experience in financial and business matters that he, she or it is capable of evaluating the merits and risk of this investment; (iv) not relied upon any other information, representation or warranty by the Company or any of its agents or representatives in determining to acquire the Securities, and Holder understands that the documents and information conveyed by the Company and its agents or representatives are not intended to convey tax or legal advice specific to Holder's circumstances; and (v) consulted to the extent it has deemed appropriate, with Holder's own advisers as to the financial, tax, legal and related matters concerning the Securities and on that basis believes that purchasing the Securities is suitable and appropriate for Holder.

5.9 Reliance by the Company. The Company will materially rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

6. Covenants.

6.1 Affirmative Covenants of the Company. The Company covenants that:

(a) it shall pay, observe or perform all of its covenants, obligations, conditions or agreements contained in this Note;

(b) it shall preserve and maintain its corporate existence, rights and privileges in its respective jurisdictions, and qualify and remain qualified as a foreign corporation in good standing in each jurisdiction in which such qualification is required; and

(c) it shall comply with all applicable laws of any governmental authority, non-compliance with which could materially adversely affect the business or condition of the Company, financial or otherwise, on a consolidated basis.

(d) it shall use its best efforts to complete the RTO on or prior to the Maturity Date;

(e) the shares of the Resulting Issuer issuable upon exercise of this Note following completion of the RTO are and will be unrestricted and free trading securities under all applicable Canadian securities laws, and any US legends imposed on such shares will not preclude a resale by the Holder through the facilities of the Canadian Securities Exchange or otherwise to non US persons. For clarity, the Conversion Shares are not and will not be subject to any contractual escrow or lock-up restrictions.

6.2 Affirmative Covenants of the Holder. Concurrent with, and as a condition to, the execution of this Promissory Note, Holder and its affiliates agree to subscribe, in aggregate,

for a minimum of US$10 million of Common Shares in the brokered private placement of subscription receipts to be undertaken by the Company concurrently with the RTO.

7. Events of Defaults and Remedies.

7.1 The occurrence of any of the following events shall be considered an "**Event of Default**" under this Note: (a) the Company shall default in the payment of any part of the principal or interest on the Note when due; (b) the Company shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition for bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, dissolution or similar relief under any present or future statute, law or regulation, or shall file any answer admitting the material allegations of a petition filed against the Company in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Company or any subsidiary, or of all or any substantial part of the properties of the Company, or the Company or any of its respective directors or majority stockholders shall take any action looking to the dissolution or liquidation of the Company; (c) within 30 days after the commencement of any proceeding against the Company or any subsidiary seeking any bankruptcy reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or within 30 days after the appointment without the consent or acquiescence of the Company or any subsidiary of any trustee, receiver or liquidator of the Company or any subsidiary or of all or any substantial part of the properties of the Company or any subsidiary, such appointment shall not have been vacated; (d) any representation or warranty made by the Company in this Note shall prove to have been incorrect when made in any material respect; (e) the Company fails to perform or observe any covenant contained in this Note, or any other agreement entered into in connection therewith; (f) any material judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a material part of the property of the Company and such judgment, writ, warrant of attachment or execution or similar process shall not be released, vacated or fully bonded within 60 days after its issue or levy; or (g) failure of the Borrower or any of its subsidiaries to pay when due any material indebtedness, the default by the Borrower or any of its subsidiaries in the performance of any term, provision or condition in any agreement with respect to material indebtedness, or any other event or condition, the effect of which default, event or condition is to cause, or to permit the holder(s) of such material indebtedness or the lender(s) under any such material indebtedness agreement to cause, such material indebtedness to become due prior to its stated maturity or any commitment to lend under any material indebtedness agreement to be terminated prior to its stated expiration date; any material indebtedness of the Company being declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof, provided, however, that in the event that the applicable lender waives compliance with the performance of any term, provision or condition contained in loan documents applicable to such material indebtedness, there shall not be an Event of Default pursuant to this Section 7.1 with respect to a breach under such loan document.

7.2 Upon the occurrence of an Event of Default under Section 7.1 hereof, at the option and upon the declaration of the Holder, the entire unpaid principal and accrued and

unpaid interest on such Note shall, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived, be forthwith due and payable, and such Holder may, immediately and without expiration of any period of grace, enforce payment of all amounts due and owing under such Note and exercise any and all other remedies granted to it at law, in equity or otherwise. The Company shall promptly notify the Holder of the occurrence of any Event of Default.

8. Miscellaneous.

8.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Note will inure to the benefit of, and be binding upon, the respective successors and assigns of the parties; provided, however, that the Company may not assign its obligations under this Note without the written consent of the Holder. This Note is for the sole benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or will confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Note.

8.2 Choice of Law. This Note, and all matters arising out of or relating to this Note, whether sounding in contract, tort, or statute will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

8.3 Notices. All notices and other communications given or made pursuant hereto will be in writing and will be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email or confirmed facsimile; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications will be sent to the respective parties at the addresses shown on the signature pages hereto (or to such email address, facsimile number or other address as subsequently modified by written notice given in accordance with this Section 8.3).

8.4 Expenses. The Company shall, forthwith upon presentation of invoices therefor and whether or not the transactions contemplated hereby are completed, pay the Holder's costs and expenses, including legal fees, in connection with Holder’s investment hereunder and its participation in the proposed RTO financing, to an aggregate maximum of $35,000 inclusive of tax and disbursements.

8.5 Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party will be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

8.6 Entire Agreement; Amendments and Waivers. This Note constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof. Any term of this Note may be amended and the observance of any term may be waived

(either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company and the Holder. Any waiver or amendment effected in accordance with this Section 8.6 will be binding upon each future holder of this Note and the Company.

8.7 Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provisions will be excluded from this Note and the balance of the Note will be interpreted as if such provisions were so excluded and this Note will be enforceable in accordance with its terms.

8.8 Transfer. This Note may be transferred upon the consent of the Company, not to be unreasonably withheld, by the Holder in accordance with applicable securities laws, upon its surrender by Holder to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer. This Note will be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and interest will be issued to, and registered in the name of, the transferee. Interest and principal will be paid solely to the registered holder of this Note. Such payment will be full discharge of the Company's obligation to pay such interest and principal.

8.9 Arbitration and Venue.

(a) Any claim or controversy between the parties arising out of or relating to this Note or any breach hereof shall be submitted to FINAL AND BINDING ARBITRATION BEFORE JAMS IN THE STATE OF CALIFORNIA, COUNTY AND CITY OF LOS ANGELES, PURSUANT TO THE JAMS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES. ALL PARTIES FURTHER AGREE THAT THE ARBITRATION SHALL BE CONDUCTED BEFORE A SINGLE JAMS ARBITRATOR WHO IS A RETIRED CALIFORNIA OR FEDERAL JUDGE OR JUSTICE. The parties shall mutually agree on one arbitrator from the list provided by the arbitrating organization; provided that if the parties cannot agree, then each party shall select one arbitrator from the list, and the two (2) arbitrators so selected shall agree upon a third (3rd) arbitrator chosen from the same list, which third (3rd) arbitrator shall determine the dispute. The arbitrator shall, to the fullest extent permitted by law, have the power to grant all legal and equitable remedies including provisional remedies and award compensatory damages provided by law; however, the arbitrator shall not have authority to award punitive or exemplary damages. The arbitrator shall award costs and attorneys' fees in accordance with the terms and conditions of this Note. The prevailing party in any arbitration or litigation shall be reimbursed for its arbitration costs (including attorneys' fees) by the non-prevailing party. The parties further agree that, upon application of the prevailing party, any Judge of the Superior Court of the State of California, for the County of Los Angeles, may enter a judgment based on the final arbitration award issued by the JAMS arbitrator, and the parties expressly agree to submit to the jurisdiction of this Court for such a purpose. No action at law or in equity based upon any claim arising out of or related to this Note shall be instituted in any court by any party (or their respective equity holders) except (A) an action to compel arbitration pursuant to this Section 8.9 or (B) an action to enforce an award obtained in an arbitration proceeding in accordance with this Section 8.9.

(b) THE PARTIES UNDERSTAND THAT BY AGREEMENT TO BINDING ARBITRATION THEY ARE GIVING UP THE RIGHTS THEY MAY OTHERWISE HAVE TO TRIAL BY A COURT OR A JURY AND ALL RIGHTS OF APPEAL, AND TO AN AWARD OF PUNITIVE OR EXEMPLARY DAMAGES.

[Remainder of page intentionally left blank. Signature pages follow.]

DATED as of the Date of Issuance identified on the cover page hereof.

MM CAN USA, INC.

By: _____

Name: Adam Bierman

Title: CEO

Address: 10115 Jefferson Blvd., Culver City, CA 90232

Email Address:

Agreed to and accepted:

ANSON CATALYST MASTER FUND LP,
BY ITS CO-INVESTMENT ADVISER,
ANSON ADVISORS INC.

By: _____

Name:

Title:

Address:

Email Address:

SCHEDULE "A"

CONVERSION FORM

TO: MM CAN USA, INC.

The undersigned registered holder of the within Note hereby irrevocably elects to convert said Note (or US$_____ principal amount thereof*) into Class B Common Shares of the Corporation in accordance with the terms hereof at a conversion price of US$3.15 per Class B Common Share (subject to adjustment in accordance with the terms of the Note) and directs that the Conversion Shares issuable and deliverable upon the conversion be issued and delivered to the person indicated below.

Date: _____

_____
(Signature of Holder)

* If less than the full principal amount of the within Debenture is to be converted, indicate in the space provided the principal amount to be converted.

Print name in which Class B Common Shares issued on conversion are to be issued, delivered and registered.

Name: _____

_____
(Address)

SCHEDULE "B"

WARRANT

(See Attached)

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the security regulatory authorities.

This preliminary short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada, except Québec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. Unless an exemption from the prospectus delivery requirement has been granted, or is otherwise available, the legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any state securities laws and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the 1933 Act) except pursuant to an exemption from the registration requirements of those laws. See "Plan of Distribution".*

***Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the General Counsel of MedMen Enterprises Inc., at 10115 Jefferson Boulevard, Culver City, California 90232, telephone (424) 341-4969, and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue June 29, 2018

MEDMEN ENTERPRISES INC.

$1,000,000,000

Class B Subordinate Voting Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units

MedMen Enterprises Inc. (the "**Corporation**") may from time to time offer and issue the following securities: (i) Class B Subordinate Voting Shares of the Corporation ("**Subordinate Voting Shares**"); (ii) preferred shares of the Corporation ("**Preferred Shares**"); (iii) debt securities of the Corporation ("**Debt Securities**"); (iv) subscription receipts ("**Subscription Receipts**") exchangeable for Subordinate Voting Shares and/or other securities of the Corporation; (v) warrants exercisable to acquire Subordinate Voting Shares and/or other securities of the Corporation ("**Warrants**"); and (vi) securities comprised of more than one of Subordinate Voting Shares, Preferred Shares, Debt Securities, Subscription Receipts and/or Warrants offered together as a unit ("**Units**"), or any combination thereof having an offer price of up to $1,000,000,000 in aggregate (or the equivalent thereof, at the date of issue, in any other currency or currencies, as the case may be) at any time during the 25-month period that this

short form base shelf prospectus (including any amendments hereto, the "**Prospectus**") remains valid. The Subordinate Voting Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants and Units (collectively, the "**Securities**") offered hereby may be offered in one or more offerings, separately or together, in separate series, in amounts, at prices and on terms to be set forth in one or more prospectus supplements (collectively or individually, as the case may be, "**Prospectus Supplements**").

The specific terms of any offering of Securities will be set forth in the applicable Prospectus Supplement and may include, without limitation, where applicable: (i) in the case of Subordinate Voting Shares, the number of Subordinate Voting Shares being offered, the offering price, whether the Subordinate Voting Shares are being offered for cash, and any other terms specific to the Subordinate Voting Shares being offered; (ii) in the case of Preferred Shares, the designation of the particular class or series, the number of Preferred Shares being offered, the offering price, whether the Preferred Shares are being offered for cash, the dividend rate, the dividend payment dates, any terms for redemption, any voting and conversion rights, the liquidation preference, and any other terms specific to the Preferred Shares being offered; (iii) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, whether the Debt Securities are being offered for cash, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion rights attached to the Debt Securities, and any other terms specific to the Debt Securities being offered; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Subordinate Voting Shares and/or other securities of the Corporation and any other terms specific to the Subscription Receipts being offered; (v) in the case of Warrants, the number of such Warrants offered, the offering price, whether the Warrants are being offered for cash, the terms, conditions and procedures for the exercise of such Warrants into or for Subordinate Voting Shares and/or other securities of the Corporation and any other specific terms; and (vi) in the case of Units, the number of Units being offered, the offering price, the terms of the Subordinate Voting Shares, Preferred Shares, Debt Securities, Subscription Receipts and/or Warrants underlying the Units, and any other specific terms.

All shelf information permitted under applicable securities legislation to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, unless an exemption from the prospectus delivery requirements has been granted. Each Prospectus Supplement will be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement and only for the purposes of the distribution of the Securities covered by that Prospectus Supplement. The offerings are subject to approval of certain legal matters on behalf of the Corporation by Cassels Brock & Blackwell LLP.

This Prospectus does not qualify for issuance Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, without limitation, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. This Prospectus may qualify for issuance Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as CDOR (the Canadian Dollar Offered Rate) or LIBOR (the London Interbank Offered Rate), and/or convertible into or exchangeable for Subordinate Voting Shares and/or other securities of the Corporation.

The Corporation may sell the Securities, separately or together: (i) to one or more underwriters or dealers; (ii) through one or more agents; or (iii) directly to one or more purchasers. The Prospectus Supplement relating to a particular offering of Securities will describe the terms of such offering of Securities, including: (i) the terms of the Securities to which the Prospectus Supplement relates, including the type of Security being offered, and the method of distribution; (ii) the name or names of any underwriters, dealers or agents involved in such offering of Securities; (iii) the purchase price of the Securities offered thereby and the proceeds to, and the expenses borne by, the Corporation from the sale of such Securities; (iv) any commission, underwriting discounts and other items constituting compensation payable to underwriters, dealers or agents; and (v) any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents. See "Plan of Distribution".

In connection with any offering of the Securities, other than an "at-the-market distribution" (unless otherwise specified in the relevant Prospectus Supplement), the underwriters or agents may over-allot or effect transactions

that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "Plan of Distribution".

No underwriter or dealer involved in an "at-the-market distribution" under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the offered Securities.

The issued and outstanding Subordinate Voting Shares are listed and posted for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "MMEN" and on the OTCQB Venture Market under the symbol "MMNFF". On June 28, 2018, the last trading day prior to the date of this Prospectus, the closing price per Subordinate Voting Share on the CSE was $4.33 and on the OTCQB was US$3.3099. **Unless otherwise specified in the applicable Prospectus Supplement, the Preferred Shares, Debt Securities, Subscription Receipts, Warrants and Units will not be listed on any securities exchange. There is no market through which these Securities may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation.**

Investing in Securities is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. A prospective purchaser should therefore review this Prospectus and the documents incorporated by reference in their entirety and carefully consider the risk factors described under "Risk Factors" prior to investing in such Securities.

No underwriter, dealer or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

The Corporation has two classes of issued and outstanding shares: the Subordinate Voting Shares and the Class A Super Voting Shares of the Corporation (the "**Super Voting Shares**"). The Subordinate Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws. Each Subordinate Voting Share is entitled to one vote per Subordinate Voting Share and each Super Voting Share is currently entitled to 1,000 votes per Super Voting Shares on all matters upon which the holders of shares of the Corporation are entitled to vote, and holders of Subordinate Voting Shares and Super Voting Shares will vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by the articles of the Corporation. Other than the return of the issue price for their Super Voting Shares, the holders of Super Voting Shares are not entitled to receive, directly or indirectly, as holders of Super Voting Shares any other assets or property of the Corporation. Holders of Subordinate Voting Shares are entitled to receive as and when declared by the directors of the Corporation, dividends in cash or property of the Corporation. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares are, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Subordinate Voting Shares (including, without restriction, the Super Voting Shares as to the issue price paid in respect thereof), entitled to participate rateably along with all other holders of Subordinate Voting Shares. **In the event that a take-over bid is made for the Super Voting Shares, the holders of Subordinate Voting Shares will not be entitled to participate in such offer and may not tender their shares into any such offer, whether under the terms of the Subordinate Voting Shares or under any coattail trust or similar agreement. Notwithstanding this, any take-over bid for solely the Super Voting Shares is unlikely given that by the terms of the investment agreement entered into by the Corporation and the Founders (as defined herein) in connection with the issuance to the Founders of the Super Voting Shares, upon any sale of Super Voting Shares to an unrelated third party purchaser, such Super Voting Shares will be redeemed by the Corporation for their issue price.** See "Description of the Share Capital of the Corporation" for further details.

The directors of the Corporation reside outside of Canada and each has appointed Cassels Brock & Blackwell LLP, Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, as his or her agent for service of process in Canada. Macias, Gini & O'Connell, LLP, the auditor in respect of certain financial statements attached to the Listing Statement (as defined herein), is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that resides outside of Canada or is incorporated,

continued or otherwise organized under the laws of a foreign jurisdiction, even if the party has appointed an agent for service of process.

The Corporation's head office is located at 10115 Jefferson Boulevard, Culver City, California 90232 and registered office is located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

This Prospectus qualifies the distribution of securities of an entity that currently directly derives a substantial portion of its revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. Federal Law. The Corporation is directly involved (through licensed subsidiaries) in both the adult-use and medical cannabis industry in the States of California, Nevada and New York, and is in the process of indirectly acquiring a licensed business which would allow the Corporation to directly participate in the medical cannabis industry in the State of Florida, which states have regulated such industries. In addition, the Corporation is indirectly involved (through management services which include the use of the "MedMen" brand and retail and cultivation and production operations, human resources, finance and accounting, marketing, sales, legal and compliance support services) in both the adult-use and medical cannabis industry in the State of California.

The cultivation, sale and use of cannabis is illegal under federal law pursuant to the U.S. Controlled Substance Act of 1970 (the "CSA"). Under the CSA, the policies and regulations of the United States Federal Government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, the federal law shall apply.

Despite the current state of the federal law and the CSA, the States of California, Nevada, Massachusetts, Maine, Washington, Oregon, Colorado, Vermont and Alaska, and the District of Columbia, have legalized recreational use of cannabis. Massachusetts and Maine have not yet begun recreational cannabis commercial operations. In early 2018, Vermont became the first state to legalize recreational cannabis by passage in a state legislature, but does not allow commercial sales of recreational cannabis. Although the District of Columbia voters passed a ballot initiative in November 2014, no commercial recreational operations exist because of a prohibition on using funds for regulation within a federal appropriations amendment to local District spending powers.

In addition, over half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis, provided that certain states have legalized and regulate the sale and use of medical cannabis with strict limits on the levels of THC.

The Corporation's objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry in the United States. Accordingly, there are a number of significant risks associated with the business of the Corporation. Unless and until the United States Congress amends the CSA with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, and the business of the Corporation may be deemed to be producing, cultivating, extracting, or dispensing cannabis or aiding or abetting or otherwise engaging in a conspiracy to commit such acts in violation of federal law in the United States.

For these reasons, the Corporation's investments in the United States cannabis market may subject the Corporation to heightened scrutiny by regulators, stock exchanges, clearing agencies and other Canadian authorities. There are a number of risks associated with the business of the Corporation. See section entitled "Risk Factors", including "Cannabis Continues to be a Controlled Substance under the United States Federal Controlled Substances Act" and "Approach to the Enforcement of Cannabis Laws is Subject to Change", within the Listing Statement.

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ABOUT THIS SHORT FORM BASE SHELF PROSPECTUS

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and is not entitled to rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. The Corporation has not authorized anyone to provide investors with additional or different information. The Corporation takes no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus. Information contained on, or otherwise accessed through, the Corporation's website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference herein.

The Corporation is not offering to sell the Securities in any jurisdictions where the offer or sale of the Securities is not permitted. The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus (or the date of the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Subordinate Voting Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants and/or Units. The business, financial condition, results of operations and prospects of the Corporation may have changed since those dates. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus shall not be used by anyone for any purpose other than in connection with an offering of Securities as described in one or more Prospectus Supplements.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Corporation and readers of this Prospectus should review all information contained in this Prospectus, the applicable Prospectus Supplement and the documents incorporated or deemed to be incorporated by reference herein and therein.

MEANING OF CERTAIN REFERENCES AND CURRENCY PRESENTATION

References to dollars or "$" are to Canadian currency unless otherwise indicated. All references to "US$" refer to United States dollars. On June 28, 2018, the daily exchange rate for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US$1.00 = $1.3267.

Unless the context otherwise requires, all references in this Prospectus to the "Corporation" refer to the Corporation and its subsidiary entities on a consolidated basis.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and United States securities laws. All information, other than statements of historical facts, included in this Prospectus that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding: expectations for the effects of the Business Combination (as defined herein); statements relating to the business and future activities of, and developments related to, the Corporation after the date of this Prospectus, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Corporation's business, operations and plans, including new revenue streams, the completion of contemplated acquisitions by the Corporation of additional real estate, cultivation and licensing assets, the roll out of new dispensaries, the implementation by the Corporation of direct-to-consumer delivery services and in-store pickup, the implementation of a research and development division, the application for additional licenses and the grant of licenses or renewals of existing licenses that have been applied for, the expansion of existing cultivation and production facilities, the completion of cultivation and production facilities that are under construction, the construction of additional cultivation and production facilities, the expansion into additional United States and international markets, including Canada under the joint venture arrangement with Cronos Group Inc., any potential future legalization of adult-use and/or medical cannabis under U.S. federal law; expectations of market size and growth in the United States and the states in which the Corporation operates or contemplates future operations; expectations for other economic, business, regulatory and/or competitive factors related to the Corporation or the cannabis industry generally; and other events or conditions that may occur in the future.

Readers are cautioned that forward-looking information and statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of the Corporation at the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Such factors include, among others, risks relating to the concentrated Founder voting control of the Corporation and the unpredictability caused by the anticipated capital structure; U.S. regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to contracts with third party service providers; risks related to the enforceability of contracts; the limited operating history of the Corporation; reliance on the expertise and judgment of senior management of the Corporation; risks inherent in an agricultural business; risks related to co-investment with parties with different interests to the Corporation; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to financing activities including leverage; risks relating to the management of growth; increased costs associated with the Corporation becoming a publicly traded company; increasing competition in the industry; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labour; cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effect service outside of Canada; risks related to future acquisitions or dispositions; sales by existing shareholders; the limited market for securities of the Corporation; limited research and data relating to cannabis; as well as those risk factors discussed elsewhere herein and in the documents incorporated by reference herein. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information and statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on forward-looking information and statements. The forward-looking information and statements contained herein are presented for the purposes of assisting readers in understanding the Corporation's expected financial and operating performance and the Corporation's plans and objectives and may not be appropriate for other purposes.

The forward-looking information and statements contained in this Prospectus represent the Corporation's views as of the date of this Prospectus and forward-looking information and statements contained in the documents incorporated by reference herein represent the Corporation's views as of the date of such documents, unless otherwise indicated in such documents. The Corporation anticipates that subsequent events and developments may cause its views to change. However, while the Corporation may elect to update such forward-looking information and statements at a future time, it has no current intention of doing so except to the extent required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the General Counsel of the Corporation, at 10115 Jefferson Boulevard, Culver City, California 90232, (424) 341-4969, and are also available electronically at www.sedar.com.

As of the date hereof, the following documents, filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada, except Québec, are specifically incorporated by reference into and form an integral part of this Prospectus:

1. the listing statement of the Corporation dated May 28, 2018 (the "**Listing Statement**") (other than the following sub-sections of Section 14 of the Listing Statement: "Issued Capital", "Public Securityholders (Registered)","Public Securityholders (Beneficial)" and "Non-Public Securityholders (Registered)");

2. the management information circular of the Corporation dated April 27, 2018, prepared in connection with an annual and special meeting of shareholders held on May 28, 2018;

3. the management information circular of the Corporation dated May 26, 2017, prepared in connection with an annual and special meeting of shareholders held on June 27, 2017;

4. the unaudited condensed interim financial statements of the LLC (as defined herein) as at and for the three and nine month periods ended March 31, 2018 and 2017, together with the notes thereto (the "**Interim Financial Statements**");

5. the unaudited condensed interim financial statements of the Corporation as at and for the six month periods ended April 30, 2018 and 2017, together with the notes thereto;

6. the management's discussion and analysis of the Corporation for the six month period ended April 30, 2018;

7. the audited financial statements of the Corporation as at and for the years ended October 31, 2017 and 2016, together with the notes thereto and the auditor's report thereon;

8. the management's discussion and analysis of the Corporation for the year ended October 31, 2017;

9. the material change report dated June 15, 2018 regarding the amendment to the vesting terms of the LTIP Units (as defined herein) granted to the Corporation's founders, Adam Bierman and Andrew Modlin (together, the "**Founders**");

10. the material change report dated June 15, 2018 regarding the execution of the Florida Acquisition Agreement (as defined herein) to acquire dispensary and cultivation assets in Florida;

11. the material change report dated June 7, 2018 regarding the closing of the Business Combination; and

12. the material change report dated May 9, 2018 regarding the execution of a binding letter agreement in respect of the Business Combination.

Any document of the type required by National Instrument 44-101 — *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, annual financial statements and the auditor's report thereon, management's discussion and analysis and information circulars of the Corporation filed by the Corporation with securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the completion or withdrawal of any offering under this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

Upon a new interim financial report and related management's discussion and analysis of the Corporation being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous interim financial report and related management's discussion and analysis of the Corporation most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon new annual financial statements and related management's discussion and analysis of the Corporation being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual financial statements and related management's discussion and analysis and the previous interim financial report and related management's discussion and analysis of the Corporation most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new annual information form of the Corporation being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the following documents shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder: (i) the previous annual information form, if any, or upon the filing of the first annual information form after the date hereof, the Listing Statement; (ii) material change reports filed by the Corporation prior to the end of the financial year in respect of which the new annual information form is filed; (iii) business acquisition reports filed by the Corporation for acquisitions completed prior to the beginning of the financial year in respect of which the new annual information form is filed; and (iv) any information circular of the Corporation filed by the Corporation prior to the beginning of the financial year in respect of which the new annual information form is filed. Upon a new information circular of the Corporation prepared in connection with an annual general meeting of the Corporation being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous information circular of the Corporation prepared in connection with an annual general

meeting of the Corporation shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement to this Prospectus containing the specific variable terms in respect of an offering of the Securities will be delivered to purchasers of such Securities together with this Prospectus, unless an exemption from the prospectus delivery requirements has been granted or is otherwise available, and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement only for the purposes of the offering of the Securities covered by such Prospectus Supplement.

Notwithstanding anything herein to the contrary, any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document incorporated or deemed to be incorporated by reference herein modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall thereafter neither constitute, nor be deemed to constitute, a part of this Prospectus, except as so modified or superseded.

THE CORPORATION

Corporate Structure

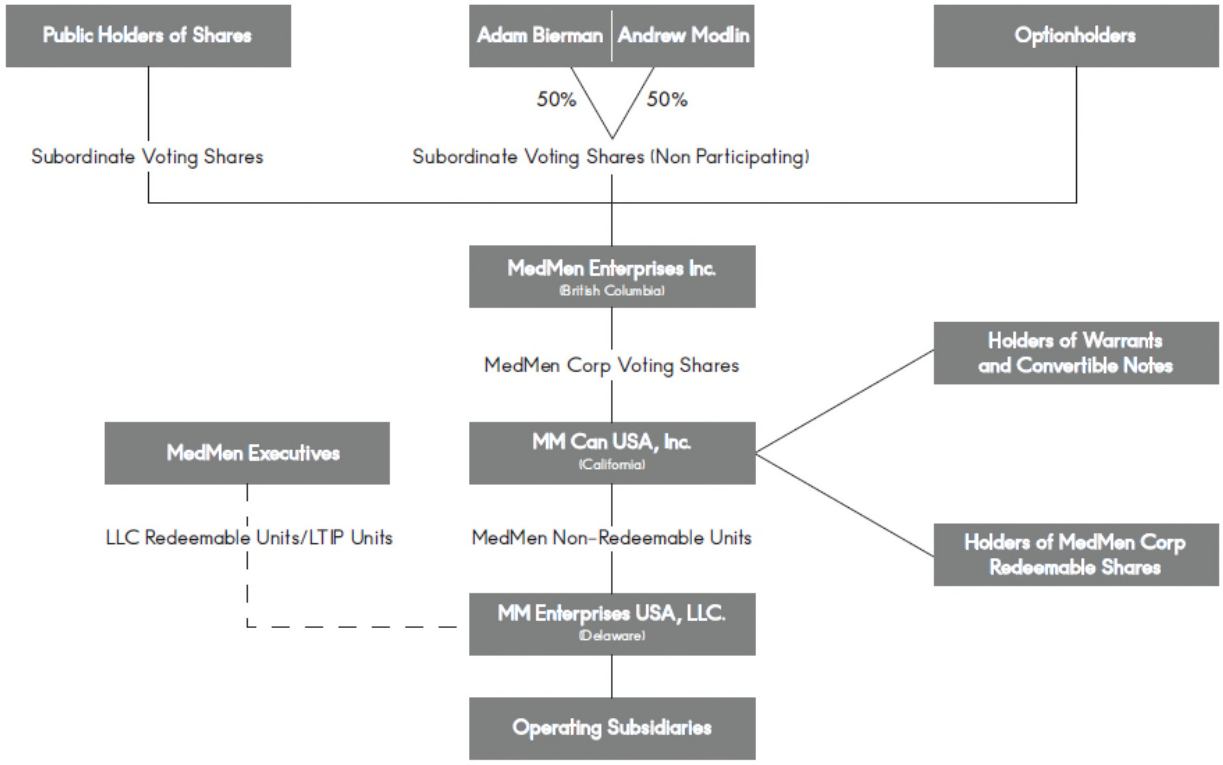
The Corporation was incorporated in the Province of British Columbia under the *Business Corporations Act* (British Columbia) on May 21, 1987. On August 28, 2017, the Corporation changed its name from T.M.T. Resources Inc. to Ladera Ventures Corp., and consolidated its outstanding common shares on a 10 old for one (1) new basis. On May 28, 2018, in connection with the Business Combination, the Corporation (i) consolidated its outstanding common shares on a 9.2623 old for one (1) new basis by way of resolution of its board of directors (without any corporate filings being necessary), and (ii) filed an alteration to its Notice of Articles with the British Columbia Registrar of Companies to change its name from Ladera Ventures Corp. to MedMen Enterprises Inc. and to amend the rights and restrictions of its existing class of common shares, redesignate such class as the class of Subordinate Voting Shares and create the Super Voting Shares (collectively, the "**Share Terms Amendment**").

The Corporation's head office is located at 10115 Jefferson Boulevard, Culver City, California 90232 and registered office is located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

Pursuant to the business combination among the Corporation (then Ladera Ventures Corp.) and MM Enterprises USA, LLC (the "**LLC**"), a series of transactions was completed on May 28, 2018 resulting in a reorganization of the LLC and Ladera Ventures Corp. and pursuant to which Ladera Ventures Corp. became the indirect parent and sole voting unitholder of the LLC (the "**Business Combination**"). The Business Combination constituted a reverse takeover of Ladera Ventures Corp. by the LLC under applicable securities laws.

The LLC was formed as a limited liability company under the laws of the State of Delaware on January 9, 2018 and is governed by a limited liability company agreement dated the same, as amended and restated as of January 29, 2018, as further amended and restated as of February 8, 2018 and as further amended and restated as of May 28, 2018 in connection with the completion of the Business Combination (the "**A&R LLC Agreement**").

Set forth below is the organization chart of the Corporation. The material subsidiaries of the LLC did not change in connection with the Business Combination.



Summary Description of the Business

Since the completion of the Business Combination, the Corporation has adopted the business carried on by the LLC. The Corporation is a United States-based, leading, fully-integrated cannabis company. The Corporation is currently focused on the cultivation, production, and retail aspects of the cannabis supply chain. The Corporation has scalable, highly-efficient cultivation and production facilities which use the latest agronomic technology and sustainable techniques. The Corporation operates one (1) cultivation facility in Nevada (Mustang) and one (1) cultivation and production facility in New York, with total existing capacity of approximately 47,400 square feet. The production facility in Nevada (Mustang) is scheduled to become operational upon receipt of the necessary licensing. The Corporation is also currently developing additional large-scale cultivation and production operations in California, large-scale cultivation and production operations to replace the existing facility in New York and a cultivation and genetics facility in Nevada, and contemplating the expansion of the cultivation area at its Mustang facility in Nevada. In addition to its cultivation and production operations, the Corporation currently owns and operates nine (9) premium retail stores located in strategic locations across key cities and neighborhoods in California, Nevada and New York through its award-winning retail concept. In addition, there is one (1) retail location in Nevada in the process of being remodelled and rebranded for a mid-July 2018 planned reopening and another retail location in Nevada under contract for acquisition and the Corporation has applied for or is contemplating applying for the requisite licenses for three (3) additional retail locations (two (2) in California and one (1) in Massachusetts). Additionally, the Corporation recently executed the Florida Acquisition Agreement to acquire dispensary and cultivation assets in Florida, as part of the which, the Corporation will acquire a cultivation facility and the right to open 25 medical dispensaries in Florida.

The Corporation views California, Nevada, New York and Florida as providing ongoing opportunities for growth due to their market depth, current supply-demand dynamics and regulatory framework, and currently holds 20 licenses within California, 13 licenses within Nevada and five (5) licenses within New York across the cannabis supply chain, providing the requisite authorization for the various activities of the Corporation at its existing facilities and retail locations.

In addition to owning its own cannabis licenses and operations, the Corporation also provides management services to third-party cannabis license-holders. The Corporation currently has management services contracts at four (4) licensed retail dispensaries in California. The Corporation is actively seeking additional management services contracts given the high-margin nature of the management business.

The Corporation is operated by an executive team that has significant experience in the cannabis industry and a robust operational and acquisition track-record as to all facets of the Corporation's operations, which has executed its business plan to rapidly scale its business. The Corporation has over 800 employees as of late June 2018 across its operating jurisdictions.

More detailed information regarding the business of the Corporation as well as its operations, assets, and properties can be found in the Listing Statement and other documents incorporated by reference herein, as supplemented by the disclosure herein. See "Documents Incorporated by Reference" and "Recent Developments".

RECENT DEVELOPMENTS

On June 28, 2018, the Corporation completed the acquisition of a dispensary located in Downtown Las Vegas. This retail location is in the process of being remodelled and rebranded for a mid-July 2018 planned reopening,

On June 9, 2018, the Corporation opened a new retail location in Venice Beach (Abbot Kinney), which operation was previously located in Sun Valley, and is one of the four (4) retail locations in California in respect of which the Corporation provides management services. The medical and adult use retail license for Venice Beach was previously associated with the Corporation's managed retail and cultivation location in Sun Valley. As a result of the strategic relocation of the license to reach the larger consumer population in Venice Beach, the owners of the Sun Valley cultivation operation have suspended the cultivation activities there and will be applying for a new cultivation license in the second half of calendar 2018.

In June 2018, the California Bureau of Cannabis Control released new regulations that determined to consolidate medical and adult use license designations for locations which previously had separate licenses for medical and adult uses. This new approach, having no impact to the vitality of the Corporation's business, has resulted in the total number of licenses held by the Corporation in California being recalculated at 20, instead of 27.

On June 8, 2018, the Corporation amended the vesting terms of the long-term incentive plan units (the "**LTIP Units**") granted to the Founders, Mr. Bierman and Mr. Modlin, pursuant to the terms of the A&R LLC Agreement. The vesting of such LTIP Units, being in aggregate 19,323,878 LTIP Units issued to the Founders, was amended to be contingent upon achievement of certain price targets in respect of the Subordinate Voting Shares, whereby one third of such aggregate LTIP Units will vest when the price of the Subordinate Voting Shares reaches $10 in the open market, another third will vest when such share price reaches $15 in the open market and the final third will vest when such share price reaches $20 in the open market. Such share price will be determined as a 5-day volume weighted average trading price on any exchange on which the Subordinate Voting Shares are traded. Prior to such amendment, in accordance with the terms of the Founders' employment contacts, 25% of their LTIP Units were to have vested immediately on issuance (as of May 17, 2018) and the remaining 75% were to vest ratably, on a monthly basis, beginning on May 17, 2018 and concluding with all such LTIP Units being fully vested as of March 15, 2020; provided that any unvested LTIP Units were to immediately vest if the applicable Founder's employment were to be terminated without cause. The amendment to the vesting terms of the LTIP Units issued to the Founders did not alter the vesting terms of the LTIP Units issued to the other executive officers of the Corporation, being in aggregate 10,990,455 LTIP Units.

On June 6, 2018, the Corporation announced the execution of a definitive agreement (the "**Florida Acquisition Agreement**") to acquire dispensary and cultivation assets from Florida based Treadwell Simpson Partnership and certain affiliates thereof (collectively, "**Treadwell Nursery**"). As part of the transaction, MedMen will indirectly acquire Treadwell Nursery's cultivation facility situated on five (5) acres in Eustis, Florida and the right to open 25 medical dispensaries in Florida.

As consideration for the acquisition, the Corporation will pay US$53 million, subject to a working capital adjustment in respect of the cash consideration, half of which will be satisfied by way of cash payment by the applicable affiliate of the Corporation party to the Florida Acquisition Agreement and the other half of which will be satisfied by way of issuance of common units of the LLC (the "**LLC Redeemable Units**"), which by their terms are redeemable for Subordinate Voting Shares. In respect of the cash consideration, subject to the working capital adjustment, Treadwell Nursery will receive US$6,625,000 on the closing date and on each of the dates that are three

(3), six (6) and nine (9) months after the closing date. In respect of the LLC Redeemable Units, the number of units to be issued will be based on the lesser of the closing trading price of the Subordinate Voting Shares on the CSE as of June 4, 2018 and the two-week weighted average daily closing price of the Subordinate Voting Shares prior to the closing of the acquisition.

The Florida acquisition is expected to close within 90 days of execution of the Florida Acquisition Agreement and is subject to customary closing conditions, including receipt of state regulatory approvals. If certain regulatory approvals are not obtained, the parties will have the right to terminate the Florida Acquisition Agreement.

In addition to the Florida acquisition, the Corporation is in the late stages of completing the acquisition of a dispensary located near the McCarran International Airport in Las Vegas. A definitive agreement has been executed for the acquisition and the Corporation is entering the final stages of transaction approval at the state and local levels. This acquisition is expected to close in the third quarter of this calendar year. The Corporation is actively seeking additional acquisition and strategic opportunities, including in its existing markets and in additional key markets such as Illinois, Pennsylvania, New Jersey and Ohio.

In addition to pending acquisitions, the Corporation is also in the application process for municipal cannabis licenses in San Francisco, California and Santa Monica, California. The Corporation has secured the real estate for the potential San Francisco dispensary through a lease/purchase option and is in process of indentifying a location for the potential Santa Monica dispensary. Assuming and upon the grants of such licenses and assuming lease or purchase arrangements are entered into within San Francisco and Santa Monica, the existing facilities at the applicable properties will be remodeled and employees to operate such locations will be hired. The Corporation is also targeting an application for a dispensary license in Massachusetts. The Corporation has secured the real estate, on a non-binding basis, for the potential dispensary and will reference such real estate when applying for the dispensary license, which application is anticipated to be submitted in the second half of 2018.

DESCRIPTION OF THE SHARE CAPITAL OF THE CORPORATION

The authorized share capital of the Corporation consists of an unlimited number of Super Voting Shares, of which 1,630,590 were issued and outstanding as of June 28, 2018, an unlimited number of Subordinate Voting Shares, of which 45,215,976 were issued and outstanding as of June 28, 2018, and an unlimited number of Preferred Shares, issuable in series, none of which were issued and outstanding as of June 28, 2018. All of the issued and outstanding Super Voting Shares are held by the Founders.

The Subordinate Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws. The Corporation has complied with the requirements of Part 12 of National Instrument 41-101 — *General Prospectus Requirements* ("**NI 41-101**") to be able to file a prospectus under which the Subordinate Voting Shares or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, the Subordinate Voting Shares are distributed, as the Corporation received the requisite prior majority approval of shareholders of the Corporation, at the annual and special meeting of shareholders held on May 28, 2018, in accordance with applicable law, including Section 12.3 of NI 41-101, for the Share Terms Amendment. The Share Terms Amendment constituted a "restricted security reorganization" within the meaning of such term under applicable Canadian securities laws.

As of June 28, 2018, the Subordinate Voting Shares represent approximately 2.7% of the voting rights attached to outstanding securities of the Corporation and the Super Voting Shares represent approximately 97.3% of the voting rights attached to outstanding securities of the Corporation.

Assuming the redemption in full (in exchange for Subordinate Voting Shares) of all redeemable securities of MM CAN USA, Inc. ("**MedMen Corp.**") and the LLC issued and outstanding as of June 28, 2018, being 365,961,334 Class B Common Shares of MedMen Corp. (the "**MedMen Corp Redeemable Shares**") and 1,570,065 LLC Redeemable Units (which securities are the effective economic equivalent of the Subordinate Voting Shares), but otherwise assuming that other convertible, exercisable or exchangeable securities of the Corporation, MedMen Corp. and the LLC remain outstanding, holders of MedMen Corp Redeemable Shares and LLC Redeemable Units would hold approximately 89% of the equity of the Corporation, while holders of Subordinate Voting Shares would hold approximately 11% of the equity of the Corporation.

The following is a summary of the rights, privileges, restrictions and conditions attached to the Subordinate Voting Shares, the Super Voting Shares and the Preferred Shares.

Subordinate Voting Shares

Holders of Subordinate Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation will have the right to vote. At each such meeting holders of Subordinate Voting Shares are entitled to one vote in respect of each Subordinate Voting Share held. As long as any Subordinate Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Subordinate Voting Shares. Holders of Subordinate Voting Shares are entitled to receive as and when declared by the directors of the Corporation, dividends in cash or property of the Corporation. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares are, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Subordinate Voting Shares (including, without restriction, the Super Voting Shares as to the issue price paid in respect thereof), entitled to participate rateably along with all other holders of Subordinate Voting Shares. Holders of Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Corporation. **In the event that a take-over bid is made for the Super Voting Shares, the holders of Subordinate Voting Shares will not be entitled to participate in such offer and may not tender their shares into any such offer, whether under the terms of the Subordinate Voting Shares or under any coattail trust or similar agreement**. **Notwithstanding this, any take-over bid for solely the Super Voting Shares is unlikely given that by the terms of the investment agreement described below, upon any sale of Super Voting Shares to an unrelated third party purchaser, such Super Voting Shares will be redeemed by the Corporation for their issue price.**

Super Voting Shares

Holders of Super Voting Shares are not entitled to receive dividends. They are entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation has the right to vote. At each such meeting, holders of Super Voting Shares are entitled to 1,000 votes in respect of each Super Voting Share held. However, if at any time the aggregate number of issued and outstanding MedMen Corp Redeemable Shares and LLC Redeemable Units (or such securities of any successor to MM CAN USA, Inc. or the LLC as may exist from time to time) beneficially owned, directly or indirectly, by a holder of the Super Voting Shares and the holder's predecessor or transferor, permitted transferees and permitted successors, divided by the number of MedMen Corp Redeemable Shares and LLC Redeemable Units beneficially owned, directly or indirectly, by the holder (and the holder's predecessor or transferor, permitted transferees and permitted successors) as at the date of completion of the Business Combination is less than 50%, the holder will from that time forward be entitled to 50 votes in respect of each Super Voting Share held. The holders of Super Voting Shares will, from time to time upon the request of the Corporation, provide to the Corporation evidence as to such holders' direct and indirect beneficial ownership (and that of its permitted transferees and permitted successors) of MedMen Corp Redeemable Shares and LLC Redeemable Units to enable the Corporation to determine the voting entitlement of the Super Voting Shares. For purposes of these calculations, a holder of Super Voting Shares will be deemed to beneficially own MedMen Corp Redeemable Shares held by an intermediate company or fund in proportion to their equity ownership of such company or fund.

As long as any Super Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Super Voting Shares. Additionally, consent of the holders of a majority of the outstanding Super Voting Shares is required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Super Voting Shares. In connection with the exercise of the voting rights in respect of any such approvals, each holder of Super Voting Shares has one vote in respect of each Super Voting Share held.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Corporation will distribute its assets firstly and in priority to the rights of holders of any other class of shares of the Corporation (including the holders of the Subordinate Voting Shares) to return the issue price of the Super Voting Shares to the holders thereof and if there are insufficient assets to fully return the issue price to the holders of the Super Voting Shares such holders will receive an amount equal to their pro rata share in proportion to the issue price of their Super Voting Shares along with all other holders of Super Voting Shares. The holders of Super Voting Shares are not entitled to receive, directly or indirectly, as holders of Super Voting Shares any other

assets or property of the Corporation and their sole rights are to the return of the issue price of such Super Voting Shares.

No subdivision or consolidation of the Super Voting Shares or the Subordinate Voting Shares shall occur unless, simultaneously, the Super Voting Shares and the Subordinate Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

The holders of Super Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, bonds, debentures or other securities of the Corporation not convertible into Super Voting Shares.

The Corporation has the right to redeem all or some of the Super Voting Shares from a holder of Super Voting Shares, for an amount equal to the issue price for each Super Voting Share, payable in cash to the holders of the Super Voting Shares so redeemed (the exercise of which right is subject to the terms and conditions of the investment agreement described below). The Corporation need not redeem Super Voting Shares on a pro-rata basis among the holders of Super Voting Shares.

No Super Voting Share is permitted to be transferred by the holder thereof without the prior written consent of the Corporation (which consent right is qualified by the terms and conditions of the investment agreement described below).

To supplement the rights, privileges, restrictions and conditions attached to the Super Voting Shares, the Corporation, Mr. Bierman and Mr. Modlin entered into an investment agreement effective as of the completion of the Business Combination which, among other things, provides that (i) the Corporation will redeem one (1) Super Voting Share held by the applicable holder for the issue price thereof for every 50 MedMen Corp Redeemable Shares and LLC Redeemable Units beneficially owned, directly or indirectly, or deemed to be so beneficially owned by such holder that are redeemed in accordance with their terms for Subordinate Voting Shares, (ii) the Corporation will issue one (1) Super Voting Share to Mr. Bierman or Mr. Modlin, as applicable, for every 50 MedMen Corp Redeemable Shares and/or LLC Redeemable Units issued to them in connection with their executive compensation arrangements, (iii) each Super Voting Share will be transferable only if it is transferred concurrently with 50 MedMen Corp Redeemable Shares and/or LLC Redeemable Units, and only in connection with a transfer to the holder's immediate family members or an affiliated entity or a transfer to the other Founder or an entity affiliated with the other Founder, and (iv) upon any sale of Super Voting Shares to a third party purchaser not listed in clause (iii), such Super Voting Shares will be redeemed by the Corporation for their issue price.

Preferred Shares

The Preferred Shares may be issued at any time or from time to time in one or more series. The board of directors of the Corporation may by resolution alter the articles of the Corporation to create any series of Preferred Shares and to fix before issuance, the designation, rights, privileges, restrictions and conditions to attach to the Preferred Shares of each series, including the rate, form, entitlement and payment of preferential dividends, the dates and place for payment thereof, the redemption price, terms, procedures and conditions of redemption, if any, voting rights and conversion rights, if any, and any sinking fund, purchase fund or other provisions attaching to the Preferred Shares of such series; provided, however, that no Preferred Shares of any series shall be issued until the Corporation has filed an alteration to its Notice of Articles with the British Columbia Registrar of Companies.

The Preferred Shares will be entitled to preference over the Subordinate Voting Shares and any other shares of the Corporation ranking junior to the Preferred Shares with respect to the payment of dividends, if any, and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and may also be given such other preferences over the Subordinate Voting Shares and any other shares of the Corporation ranking junior to the Preferred Shares as may be fixed by the resolution of the board of directors of the Corporation as to the respective series authorized to be issued. The Preferred Shares of each series will rank on a parity with the Preferred Shares of every other series with respect to priority and payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, exclusive of any conversion rights that may affect the aforesaid.

The issuance of Preferred Shares and the terms selected by the board of directors of the Corporation could decrease the amount of earnings and assets available for distribution to holders of Subordinate Voting Shares or adversely affect the rights and powers, including the voting rights, of the holders of the Subordinate Voting Shares and the Super Voting Shares without any further vote or action by the holders of the Subordinate Voting Shares and the Super Voting Shares. The issuance of Preferred Shares, or the issuance of rights to purchase Preferred Shares, could make it more difficult for a third-party to acquire a majority of the Corporation's outstanding Subordinate Voting Shares and thereby have the effect of delaying, deferring or preventing a change of control of the Corporation or an unsolicited acquisition proposal or of making the removal of management more difficult. Additionally, the issuance of Preferred Shares may have the effect of decreasing the market price of the Subordinate Voting Shares.

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of the Debt Securities offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Debt Securities may differ from the general terms and provisions described below in some or all respects.

The Debt Securities will be issued in series under one or more trust indentures to be entered into between the Corporation and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee. Each such trust indenture, as supplemented or amended from time to time, will set out the terms of the applicable series of Debt Securities. The statements in this Prospectus relating to any trust indenture and the Debt Securities to be issued under it are summaries of anticipated provisions of an applicable trust indenture and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of such trust indenture, as applicable.

Each trust indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Corporation. Any Prospectus Supplement for Debt Securities will contain the terms and other information with respect to the Debt Securities being offered, including (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities, (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars), (iii) the percentage of the principal amount at which such Debt Securities will be issued, (iv) the date or dates on which such Debt Securities will mature, (v) the rate or rates at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any), (vi) the dates on which any such interest will be payable and the record dates for such payments, (vii) any redemption term or terms under which such Debt Securities may be defeased, (viii) any exchange or conversion terms, and (ix) any other specific terms.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The Debt Securities will be direct obligations of the Corporation. The Debt Securities will be senior or subordinated indebtedness of the Corporation as described in the relevant Prospectus Supplement.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following sets forth certain general terms and provisions of the Subscription Receipts. The particular terms and provisions of the Subscription Receipts offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Subscription Receipts may differ from the general terms and provisions described below in some or all respects.

The Corporation may issue Subscription Receipts that may be exchanged by the holders thereof for Subordinate Voting Shares and/or other Securities of the Corporation upon the satisfaction of certain conditions. The Corporation may offer Subscription Receipts separately or together with Subordinate Voting Shares, Preferred Shares, Debt Securities, Warrants or Units, as the case may be. The Corporation will issue Subscription Receipts under one or more subscription receipt agreements. Under each subscription receipt agreement, a purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of the Subordinate Voting Shares and/or other Securities of the Corporation, as the case may be, to such purchaser upon exchange of Subscription Receipts, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Subordinate Voting Shares and/or other Securities of the Corporation**,** as the case may be, if this Prospectus, the relevant

Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

Any Prospectus Supplement will contain the terms and conditions and other information relating to the Subscription Receipts being offered including:

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered and whether the price is payable in installment;
- any conditions to the exchange of Subscription Receipts into Subordinate Voting Shares, and/or other Securities of the Corporation, as the case may be, and the consequences of such conditions not being satisfied;
- the procedures for the exchange of the Subscription Receipts into Subordinate Voting Shares and/or other Securities of the Corporation, as the case may be;
- the number of Subordinate Voting Shares and/or other Securities of the Corporation, as the case may be, that may be exchanged upon exercise of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- the dates or periods during which the Subscription Receipts may be exchanged into Subordinate Voting Shares and/or other Securities of the Corporation;
- whether such Subscription Receipts will be listed on any securities exchange;
- any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- any other specific terms.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities issuable on the exchange of the Subscription Receipts.

DESCRIPTION OF WARRANTS

The following sets forth certain general terms and provisions of the Warrants. The particular terms and provisions of the Warrants offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Warrants may differ from the general terms and provisions described below in some or all respects.

The Corporation may issue Warrants for the purchase of Subordinate Voting Shares and/or other Securities of the Corporation. Warrants may be issued independently or together with Subordinate Voting Shares, Preferred Shares, Debt Securities and Subscription Receipts offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be issued under one or more warrant agreements entered into between the Corporation and a warrant agent named in the applicable Prospectus Supplement.

Selected provisions of the Warrants and the warrant agreements are summarized below. This summary is not complete. The statements made in this Prospectus relating to any warrant agreement and Warrants to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement.

Any Prospectus Supplement will contain the terms and other information relating to the Warrants being offered including:

- the exercise price of the Warrants;

- the designation of the Warrants;
- the aggregate number of Warrants offered and the offering price;
- the designation, number and terms of the Subordinate Voting Shares and/or other Securities of the Corporation purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the dates or periods during which the Warrants are exercisable;
- the designation and terms of any securities with which the Warrants are issued;
- if the Warrants are issued as a unit with another security, the date on and after which the Warrants and the other security will be separately transferable;
- the currency or currency unit in which the exercise price is denominated;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- any rights, privileges, restrictions and conditions attaching to the Warrants; and
- any other specific terms.

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

DESCRIPTION OF UNITS

Units are a security comprised of more than one of the other Securities described in this Prospectus offered together as a "Unit". A Unit is typically issued so the holder thereof is also the holder of each Security included in the Unit. As a result, the holder of a Unit will have the rights and obligations of a holder of each Security comprising the Unit. The agreement, if any, under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately at any time or at any time before a specified date.

The particular terms and provisions of the Units offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Units may differ from the general terms and provisions described below in some or all respects. This description will include, where applicable: (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately; (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; (iii) whether the Units will be issued in registered or global form; and (iv) any other material terms and conditions of the Units.

PLAN OF DISTRIBUTION

The Corporation may sell the Securities, separately or together: (i) to one or more underwriters or dealers; (ii) through one or more agents; or (iii) directly to one or more purchasers. The Prospectus Supplement relating to a particular offering of Securities will describe the terms of such offering of Securities, including: (i) the terms of the Securities to which the Prospectus Supplement relates, including the type of Security being offered, and the method of distribution; (ii) the name or names of any underwriters, dealers or agents involved in such offering of Securities; (iii) the purchase price of the Securities offered thereby and the proceeds to, and the expenses borne by, the Corporation from the sale of such Securities; (iv) any commission, underwriting discounts and other items constituting compensation payable to underwriters, dealers or agents; and (v) any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 — *Shelf Distributions*, including sales made directly on the CSE. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Corporation.

Only underwriters, dealers or agents so named in the Prospectus Supplement are deemed to be underwriters, dealers or agents in connection with the Securities offered thereby. If underwriters are used in an offering, the Securities offered thereby will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase Securities will be subject to the conditions precedent agreed upon by the parties and the underwriters will be obligated to purchase all Securities under that offering if any are purchased. If agents are used in an offering, unless otherwise indicated in the applicable Prospectus Supplement, such agents will be acting on a "best efforts" basis for the period of their appointment. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

Underwriters, dealers and agents who participate in the distribution of Securities may be entitled under agreements to be entered into with the Corporation to indemnification by the Corporation against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Corporation in the ordinary course of business.

Any offering of Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, the Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units will not be listed on any securities exchange. Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units may be sold and purchasers may not be able to resell Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of the Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. Subject to applicable laws, certain dealers may make a market in these Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any dealer will make a market in these Securities or as to the liquidity of the trading market, if any, for these Securities.

In connection with any offering of the Securities, other than an "at-the-market distribution" (unless otherwise specified in the relevant Prospectus Supplement), the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

The Securities have not been, and will not be, registered under the 1933 Act or the securities laws of any states in the United States and, subject to certain exceptions, may not be offered or sold or otherwise transferred or disposed of in the United States or to or for the account of U.S. persons absent registration or pursuant to an applicable exemption from the 1933 Act and applicable state securities laws. In addition, until 40 days after closing of an offering of Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in such offering) may violate the registration requirement of the 1933 Act if such offer or sale is made other than in accordance with an exemption under the 1933 Act.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds from the sale of Securities will be used for general corporate purposes (including funding ongoing operations and/or working capital requirements), to repay

indebtedness outstanding from time to time, discretionary capital programs and potential future acquisitions. Each Prospectus Supplement will contain specific information concerning the use of proceeds from that sale of Securities.

EARNINGS COVERAGE RATIO

The applicable Prospectus Supplement will provide, as required by applicable Canadian securities laws, the earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

CONSOLIDATED CAPITALIZATION

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Corporation that will result from the issuance of Securities pursuant to such Prospectus Supplement.

As of June 28, 2018, there had not been any material changes in the share capitalization of the Corporation, MedMen Corp or the LLC since the completion of the Business Combination, other than (i) the redemption in accordance with their terms of 16,440,801 MedMen Corp Redeemable Shares by the holders thereof in exchange for 16,440,801 Subordinate Voting Shares and the related cancellation of such MedMen Corp Redeemable Shares and issuance to the Corporation of 16,440,801 Class A Common Shares of MedMen Corp. (the "**MedMen Corp Voting Shares**"), and (ii) the exercise of warrants to purchase 415,155 MedMen Corp Redeemable Shares and the related issuance of an additional 415,155 common units of the LLC, which common units are non-redeemable, to MedMen Corp., such that as of June 28, 2018, 45,215,976 Subordinate Voting Shares, 365,961,334 MedMen Corp Redeemable Shares and 45,215,976 MedMen Corp Voting Shares were issued and outstanding.

Since March 31, 2018, other than as disclosed in the Interim Financial Statements, there has not been any material changes in the consolidated loan capitalization of the Corporation.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors described therein of purchasing, holding and disposing of the applicable Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax considerations.

RISK FACTORS

Before making an investment decision, prospective purchasers of Securities should carefully consider the information described in this Prospectus and the documents incorporated by reference herein (including subsequently filed documents incorporated by reference herein), including the applicable Prospectus Supplement. Additional risk factors relating to a specific offering of Securities may be described in the applicable Prospectus Supplement. Some of the risk factors described herein and in the documents incorporated by reference herein (including subsequently filed documents incorporated by reference herein), including the applicable Prospectus Supplement are interrelated and, consequently, investors should treat such risk factors as a whole. If any event arising from these risks occurs, the Corporation's business, prospects, financial condition, results of operations and cash flows, and an investment in the Securities, could be materially adversely affected. Additional risks and uncertainties of which the Corporation is currently unaware or that are unknown or that the Corporation currently deems to be immaterial could have a material adverse effect on the Corporation's business, prospects, financial condition, results of operations and cash flows. The Corporation cannot provide any assurances that it will successfully address any or all of these risks.

LEGAL MATTERS

Unless otherwise specified in the Prospectus Supplement relating to an offering of Securities, certain legal matters relating to the offering of Securities will be passed upon on behalf of the Corporation by Cassels Brock & Blackwell LLP with respect to matters of Canadian law. As of the date hereof, Cassels Brock & Blackwell LLP, and its partners and associates, beneficially own, directly or indirectly, as a group, less than 1% of any class of outstanding securities of the Corporation, MedMen Corp. and the LLC.

AUDITORS, TRANSFER AGENT AND REGISTRAR

MNP LLP is the auditor of the Corporation and has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations. Macias, Gini & O'Connell, LLP and Davidson & Company LLP have performed the audit in respect of certain financial statements incorporated by reference herein. As of the date hereof, Macias, Gini & O'Connell, LLP, and its partners and associates, and Davidson & Company LLP, and its partners and associates, beneficially own, directly or indirectly, in their respective groups, less than 1% of any class of outstanding securities of the Corporation, MedMen Corp. and the LLC.

The transfer agent and registrar for the Subordinate Voting Shares is Odyssey Trust Company at its principal offices in Calgary, Alberta.

PURCHASERS' STATUTORY RIGHTS

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's statutory rights. Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Corporation will have a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will be further described in any applicable Prospectus Supplement, but will, in general, entitle such original purchasers to receive, upon surrender of the underlying securities, the amount paid for the applicable convertible, exchangeable or exercisable Securities in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement.

In an offering of Securities which are convertible, exchangeable or exercisable for other securities of the Corporation, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus, the relevant Prospectus Supplement or an amendment thereto is limited, in certain provincial and territorial securities legislation, to the price at which the Securities which are convertible, exchangeable or exercisable for other securities of the Corporation are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages, or consult with a legal adviser.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

The directors of the Corporation reside outside of Canada and each has appointed Cassels Brock & Blackwell LLP, Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, as his or her agent for service of process in Canada. Macias, Gini & O'Connell, LLP, the auditor in respect of certain financial statements attached to the Listing Statement, is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that resides outside of Canada or is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, even if the party has appointed an agent for service of process.

CERTIFICATE OF THE CORPORATION

Dated: June 29, 2018

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada, except Québec.

(Signed) ADAM BIERMAN
Chief Executive Officer

(Signed) JAMES PARKER
Chief Financial Officer

On behalf of the Board of Directors

(Signed) LISA SERGI TRAGER
Director

(Signed) MARK HUTCHISON
Director

CONVERTIBLE PROMISSORY NOTE

No. CN-2018-003 **Date of Issuance:**

US$600,000 **May 10, 2018**

FOR VALUE RECEIVED, MM CAN USA, INC., a Delaware corporation (the "**Company**"), hereby promises to pay to the order of **AC ANSON INVESTMENTS LTD., BY ITS CO-INVESTMENT ADVISER, ANSON ADVISORS INC.** (the "**Holder**"), the principal sum of US$600,000 (the "**Principal Amount**"), together with interest thereon from the date of issuance of this convertible promissory note (this "**Note**"). Interest will accrue at a simple rate of 5.00% per annum. Unless earlier converted into Conversion Shares (as defined below), the principal of this Note will be due and payable by the Company on the date which is three (3) months from the date hereof (the "**Maturity Date**"); provided that, upon completion by the Company of a "go-public" transaction on a recognized exchange in Canada, substantially upon the terms and conditions set forth in the draft management information circular (the "**Circular**") delivered to the Holder (together with the accompanying subscription receipt financing, the "**RTO**"), the Maturity Date will automatically be extended to the date that is 24 months from the date hereof. The Canadian parent company of the Company following completion of the RTO is referred to herein as the "**Resulting Issuer**". Further, the Company, the Resulting Issuer, MedMen Enterprises USA, LLC, a Delaware limited liability company ("**MME**") and their respective subsidiaries through which MME and the Company intend to pursue the RTO are collectively referred to as the "**Enterprise**".

1. Payment.

1.1 All payments will be made in lawful money of the United States at the principal office of the Company, or at such other place as the Holder may from time to time designate in writing to the Company. Payment will be credited first to accrued interest due and payable, with any remainder applied to principal.

1.2 The Company shall pay simple interest on that portion of the Principal Amount outstanding from time to time from the date of issuance of this Note up to and including the date of repayment of the Principal Amount at the rate of 5.00% per annum, computed on a daily basis on a year of 365 days. The interest will be payable quarterly in arrears throughout the life of the Note.

1.3 In connection with the issuance of this Note, the Company shall also issue to Holder warrants to acquire up to fifty percent (50%) of the Conversion Shares (defined below) underlying this Note (the "**Warrant**") which Warrant shall be in the form attached hereto as Schedule "B".

2. Ranking. This Note is a senior unsecured obligation of the Company and shall rank pari passu with all other current and future senior unsecured debt of the Company.

3. Conversion of Note.

3.1 Conversion. As of the date hereof, the unpaid Principal Amount of this Note will be convertible by the Holder, in whole or in part, upon written notice to the Company, into Class B Common Shares (the "**Common Shares**") of the Company ("**Conversion Shares**", and together with the Note and the Warrant, the "**Securities**"), at a conversion price of US$3.15 per Common Share, representing a valuation for the Enterprise of US$1.24 billion (i.e. 75% of a $1.65 billion valuation of the Enterprise) (the "**Conversion Price**"); provided that if the valuation of the Enterprise in a Liquidity Event (as defined herein) is less or more than US$1.65 billion, the conversion price shall automatically be reduced or increased to equal 75% of the valuation of the Enterprise in such Liquidity Event.

3.2 For purposes of this Note, "**Liquidity Event**" is defined as the occurrence of any of: (a) a listing of the securities of the Company or successor public issuer on a recognized stock exchange, by way of an initial public offering, reverse merger or other listing transaction, including, for clarity, the RTO, or (b) prior to the RTO, (i) the dissolution or liquidation of the Company; (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company, (iii) the acquisition of the Company through consolidation, merger, exchange of securities, amalgamation, statutory arrangement or otherwise, but expressly excluding any "intra group transfer" to allow shareholders of the Company that are entities to transfer or distribute equity interests within their group of affiliated persons or entities; or (iv) a Change of Control. For purposes of this Note, a "**Change of Control**" is defined as any transaction or series of related transactions after which any person or entity which does directly or indirectly own equity interests in the Company as of date hereof, acquires more than 50% of the voting interests of the Company, but expressly excluding any "intra group transfer" to allow shareholders of the Company that are entities to transfer or distribute equity interests within their group of affiliated persons or entities.

3.3 In the event that the Company does not complete the RTO prior to the Maturity Date, the Principal Amount repayable upon the Maturity Date shall be equal to US$5.25 million, plus accrued and unpaid interest.

3.4 If, during the term of the Note, the Company proposes to complete a Liquidity Event other than the RTO, it shall provide 10 days' prior written notice of such Liquidity Event including the terms thereof to the Holder. The Holder shall then have the option, upon written notice to the Company delivered prior to the effective date of such Liquidity Event, to "put" or require the Company to redeem the Note at a redemption price equal to 101% of the then-outstanding Principal Amount of the Note.

3.5 Manner of Exercise of Right of Conversion.

(a) If the Holder wishes to convert this Note in whole or in part into Conversion Shares, it shall surrender such Note to the Company together with the Conversion Form attached hereto as Schedule "A", duly executed by the Holder or its executors or administrators or other legal representatives or its or their attorney duly appointed by an instrument, irrevocably exercising its right to convert such Note in accordance with the provisions of this Article 3. Thereupon, the Holder or its nominee or assignee, shall be entitled to be entered in the books of the Company (and, following the RTO, the Resulting Issuer) as at the date of conversion as the holder of the number

of Conversion Shares (and, following the RTO, underlying Resulting Issuer shares) into which such Note is convertible in accordance with the provisions hereof and, as soon as practicable and in any event within three business days thereafter, the Company shall deliver to the Holder or, subject as aforesaid, its nominee or assignee, a certificate for such Conversion Shares (or, following the RTO, underlying Resulting Issuer shares) in certificated form, or by way of non-certificated issuance, at the sole discretion of the Holder.

(b) Any part of this Note may be converted as provided herein. If only part of this Note is converted, the Holder shall upon the exercise of its right of conversion, surrender this Note to the Company, and the Company shall cancel the same and shall, without charge, forthwith certify and deliver to the Holder a new Note in the aggregate principal amount equal to the unconverted part of the principal amount of this Note.

(c) Upon surrender of this Note for conversion in accordance with this Section 3.5, the Holder shall be entitled to receive accrued and unpaid interest in cash paid by the Company in respect of the portion so converted only for the period up to the date of conversion. The Conversion Shares issued upon conversion, shall from and after the date of conversion, for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

3.6 Reservation of Common Shares Issuable Upon Conversion. The Company shall at all times while this Note remains outstanding reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of effecting the conversion of this Note such number of its Common Shares as would from time to time be sufficient to effect the conversion of this Note into Conversion Shares, and if at any time the number of authorized but unissued Common Shares shall not be sufficient to effect the conversion of this Note, the Company will take such corporate action as may be necessary to increase its authorized but unissued Common Shares to such number of securities as shall be sufficient for such purpose. All Conversion Shares issued hereunder shall be duly and validly issued as fully paid and non-assessable.

3.7 Payment of Interest Upon Conversion. Any accrued but unpaid interest at the time of conversion shall be payable to the Holder in cash by the Company.

3.8 Capital Adjustments.

(a) In the event that the Common Shares are subject to any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting the Common Shares, the number of Conversion Shares which are the subject of the conversion and the exercise price therefore shall be likewise adjusted in order to reflect the change (for the purpose of preserving the value of such conversion), with respect to the number or kind of shares or other securities of the Company subject to the Conversion and the exercise price of the conversion. The Company covenants to provide the Holder with prior written notice of any transaction giving rise to an adjustment hereunder. For clarity, as and from

completion of the RTO, this Note shall upon exercise entitle the Holder to receive Common Shares of the Company which Common Shares shall be exchangeable on an economically equivalent basis into common shares of the Resulting Issuer.

4. Representations and Warranties of the Company. In connection with the transactions contemplated by this Note, the Company hereby represents and warrants to the Holder as follows:

4.1 Benefit of Agency Agreement. The Holder shall have the benefit of the representations and warranties made by the Company (and its affiliates, as applicable) to the agent and set forth in the agency agreement to be entered into in connection with the RTO. Such representations and warranties shall form an integral part of this Note.

4.2 Due Organization; Qualification and Good Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted; provided, it is currently contemplated that the Company will reorganize as a California corporation on or before the completion of the RTO. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify or to be in good standing would have a material adverse effect on the Company.

4.3 Capitalization. The share capitalization of the Company and its affiliates, as at the date hereof and as at closing of the RTO, is substantially as described in the Circular.

4.4 Authorization and Enforceability. Except for the authorization and issuance of the Conversion Shares, all corporate action has been taken on the part of the Company and its officers, directors and stockholders necessary for the authorization, execution and delivery of this Note. Except as may be limited by applicable bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights, the Company has taken all corporate action required to make all of the obligations of the Company reflected in the provisions of this Note valid and enforceable in accordance with its terms.

4.5 No Conflict. The Company is not in, and the performance of the Company's obligations hereunder will not result in, violation of (a) its constating documents, (b) any resolutions of the Company’s directors or shareholders, (c) applicable law, or (d) any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound.

4.6 Litigation. There are no actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding, pending or, to the best of the Company's knowledge, threatened against or affecting the Company, or the directors, officers or employees thereof, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of the Company's knowledge, there is no basis therefore and neither the Company 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, would materially adversely affect the ability of the Corporation to perform its obligations.

5. Representations and Warranties of the Holder. In connection with the transactions contemplated by this Note, the Holder hereby represents and warrants to the Company as follows:

5.1 Authorization. The Holder has full power and authority (and, if an individual, the capacity) to enter into this Note and to perform all obligations required to be performed by it hereunder. This Note, when executed and delivered by the Holder, will constitute the Holder's valid and legally binding obligation, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

5.2 Non-US Person. The Holder is not a "U.S. person", as defined in Regulation S under the Securities Act (which definition includes but is not limited to (A) any individual resident in the United States, (B) any partnership or corporation organized or incorporated under the laws of the United States, (C) any partnership or corporation formed by a U.S. person under the laws of any foreign jurisdiction principally for the purpose of investing in securities not registered under the Securities Act of 1933 (as amended, the "**Securities Act**"), or (D) any estate or trust of which any executor, administrator or trustee is a U.S. person), and is not acquiring the Securities, for the account or benefit of a "U.S. person" or person in the United States.

5.3 Offer Outside of the US. Holder was not offered to acquire the Securities in the United States, did not receive any materials relating to the offer of the Securities in the United States, and did not execute this Note in the United States.

5.4 No Registration. Holder is not acquiring the Securities as the result of any directed selling efforts (as defined in Rule 902(c) of the Securities Act) and the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the Securities Act.

5.5 No Distribution. Holder has no intention to distribute either directly or indirectly this Note or any of the Securities in the United States, except in compliance with the Securities Act and any applicable state securities laws.

5.6 No Registration. HOLDER UNDERSTANDS THAT THE OFFERING AND THE SALE OF THE SECURITIES HAS NOT BEEN REGISTERED UNDER THE LAWS OF ANY JURISDICTION (INCLUDING THE SECURITIES ACT), OR THE LAWS OF ANY STATE OF THE UNITED STATES OF AMERICA OR THE LAWS OF ANY FOREIGN JURISDICTION); AND FURTHER UNDERSTANDS THAT THE COMPANY HAS NOT BEEN, AND IS NOT ANTICIPATED TO BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "***INVESTMENT COMPANY ACT***").

5.7 Residence. If the Holder is an individual, then the Holder resides in the state or province identified in the address shown on the Holder's signature page hereto. If the Holder is a partnership, corporation, limited liability company or other entity, then the Holder's

principal place of business is located in the state or province identified in the address shown on the Holder's signature page hereto.

5.8 Information. The Holder has (i) received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Securities, (ii) had an opportunity to review, ask questions, and receive answers from the Company regarding such information and to obtain any additional information necessary to verify the accuracy of the information given Holder; (iii) such knowledge and experience in financial and business matters that he, she or it is capable of evaluating the merits and risk of this investment; (iv) not relied upon any other information, representation or warranty by the Company or any of its agents or representatives in determining to acquire the Securities, and Holder understands that the documents and information conveyed by the Company and its agents or representatives are not intended to convey tax or legal advice specific to Holder's circumstances; and (v) consulted to the extent it has deemed appropriate, with Holder's own advisers as to the financial, tax, legal and related matters concerning the Securities and on that basis believes that purchasing the Securities is suitable and appropriate for Holder.

5.9 Reliance by the Company. The Company will materially rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

6. Covenants.

6.1 Affirmative Covenants of the Company. The Company covenants that:

(a) it shall pay, observe or perform all of its covenants, obligations, conditions or agreements contained in this Note;

(b) it shall preserve and maintain its corporate existence, rights and privileges in its respective jurisdictions, and qualify and remain qualified as a foreign corporation in good standing in each jurisdiction in which such qualification is required; and

(c) it shall comply with all applicable laws of any governmental authority, non-compliance with which could materially adversely affect the business or condition of the Company, financial or otherwise, on a consolidated basis.

(d) it shall use its best efforts to complete the RTO on or prior to the Maturity Date;

(e) the shares of the Resulting Issuer issuable upon exercise of this Note following completion of the RTO are and will be unrestricted and free trading securities under all applicable Canadian securities laws, and any US legends imposed on such shares will not preclude a resale by the Holder through the facilities of the Canadian Securities Exchange or otherwise to non US persons. For clarity, the Conversion Shares are not and will not be subject to any contractual escrow or lock-up restrictions.

6.2 Affirmative Covenants of the Holder. Concurrent with, and as a condition to, the execution of this Promissory Note, Holder and its affiliates agree to subscribe, in aggregate,

for a minimum of US$10 million of Common Shares in the brokered private placement of subscription receipts to be undertaken by the Company concurrently with the RTO.

7. Events of Defaults and Remedies.

7.1 The occurrence of any of the following events shall be considered an "**Event of Default**" under this Note: (a) the Company shall default in the payment of any part of the principal or interest on the Note when due; (b) the Company shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition for bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, dissolution or similar relief under any present or future statute, law or regulation, or shall file any answer admitting the material allegations of a petition filed against the Company in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Company or any subsidiary, or of all or any substantial part of the properties of the Company, or the Company or any of its respective directors or majority stockholders shall take any action looking to the dissolution or liquidation of the Company; (c) within 30 days after the commencement of any proceeding against the Company or any subsidiary seeking any bankruptcy reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or within 30 days after the appointment without the consent or acquiescence of the Company or any subsidiary of any trustee, receiver or liquidator of the Company or any subsidiary or of all or any substantial part of the properties of the Company or any subsidiary, such appointment shall not have been vacated; (d) any representation or warranty made by the Company in this Note shall prove to have been incorrect when made in any material respect; (e) the Company fails to perform or observe any covenant contained in this Note, or any other agreement entered into in connection therewith; (f) any material judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a material part of the property of the Company and such judgment, writ, warrant of attachment or execution or similar process shall not be released, vacated or fully bonded within 60 days after its issue or levy; or (g) failure of the Borrower or any of its subsidiaries to pay when due any material indebtedness, the default by the Borrower or any of its subsidiaries in the performance of any term, provision or condition in any agreement with respect to material indebtedness, or any other event or condition, the effect of which default, event or condition is to cause, or to permit the holder(s) of such material indebtedness or the lender(s) under any such material indebtedness agreement to cause, such material indebtedness to become due prior to its stated maturity or any commitment to lend under any material indebtedness agreement to be terminated prior to its stated expiration date; any material indebtedness of the Company being declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof, provided, however, that in the event that the applicable lender waives compliance with the performance of any term, provision or condition contained in loan documents applicable to such material indebtedness, there shall not be an Event of Default pursuant to this Section 7.1 with respect to a breach under such loan document.

7.2 Upon the occurrence of an Event of Default under Section 7.1 hereof, at the option and upon the declaration of the Holder, the entire unpaid principal and accrued and

unpaid interest on such Note shall, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived, be forthwith due and payable, and such Holder may, immediately and without expiration of any period of grace, enforce payment of all amounts due and owing under such Note and exercise any and all other remedies granted to it at law, in equity or otherwise. The Company shall promptly notify the Holder of the occurrence of any Event of Default.

8. Miscellaneous.

8.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Note will inure to the benefit of, and be binding upon, the respective successors and assigns of the parties; provided, however, that the Company may not assign its obligations under this Note without the written consent of the Holder. This Note is for the sole benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or will confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Note.

8.2 Choice of Law. This Note, and all matters arising out of or relating to this Note, whether sounding in contract, tort, or statute will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

8.3 Notices. All notices and other communications given or made pursuant hereto will be in writing and will be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email or confirmed facsimile; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications will be sent to the respective parties at the addresses shown on the signature pages hereto (or to such email address, facsimile number or other address as subsequently modified by written notice given in accordance with this Section 8.3).

8.4 Expenses. The Company shall, forthwith upon presentation of invoices therefor and whether or not the transactions contemplated hereby are completed, pay the Holder's costs and expenses, including legal fees, in connection with Holder’s investment hereunder and its participation in the proposed RTO financing, to an aggregate maximum of $35,000 inclusive of tax and disbursements.

8.5 Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party will be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

8.6 Entire Agreement; Amendments and Waivers. This Note constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof. Any term of this Note may be amended and the observance of any term may be waived

(either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company and the Holder. Any waiver or amendment effected in accordance with this Section 8.6 will be binding upon each future holder of this Note and the Company.

8.7 Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provisions will be excluded from this Note and the balance of the Note will be interpreted as if such provisions were so excluded and this Note will be enforceable in accordance with its terms.

8.8 Transfer. This Note may be transferred upon the consent of the Company, not to be unreasonably withheld, by the Holder in accordance with applicable securities laws, upon its surrender by Holder to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer. This Note will be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and interest will be issued to, and registered in the name of, the transferee. Interest and principal will be paid solely to the registered holder of this Note. Such payment will be full discharge of the Company's obligation to pay such interest and principal.

8.9 Arbitration and Venue.

(a) Any claim or controversy between the parties arising out of or relating to this Note or any breach hereof shall be submitted to FINAL AND BINDING ARBITRATION BEFORE JAMS IN THE STATE OF CALIFORNIA, COUNTY AND CITY OF LOS ANGELES, PURSUANT TO THE JAMS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES. ALL PARTIES FURTHER AGREE THAT THE ARBITRATION SHALL BE CONDUCTED BEFORE A SINGLE JAMS ARBITRATOR WHO IS A RETIRED CALIFORNIA OR FEDERAL JUDGE OR JUSTICE. The parties shall mutually agree on one arbitrator from the list provided by the arbitrating organization; provided that if the parties cannot agree, then each party shall select one arbitrator from the list, and the two (2) arbitrators so selected shall agree upon a third (3rd) arbitrator chosen from the same list, which third (3rd) arbitrator shall determine the dispute. The arbitrator shall, to the fullest extent permitted by law, have the power to grant all legal and equitable remedies including provisional remedies and award compensatory damages provided by law; however, the arbitrator shall not have authority to award punitive or exemplary damages. The arbitrator shall award costs and attorneys' fees in accordance with the terms and conditions of this Note. The prevailing party in any arbitration or litigation shall be reimbursed for its arbitration costs (including attorneys' fees) by the non-prevailing party. The parties further agree that, upon application of the prevailing party, any Judge of the Superior Court of the State of California, for the County of Los Angeles, may enter a judgment based on the final arbitration award issued by the JAMS arbitrator, and the parties expressly agree to submit to the jurisdiction of this Court for such a purpose. No action at law or in equity based upon any claim arising out of or related to this Note shall be instituted in any court by any party (or their respective equity holders) except (A) an action to compel arbitration pursuant to this Section 8.9 or (B) an action to enforce an award obtained in an arbitration proceeding in accordance with this Section 8.9.

(b) THE PARTIES UNDERSTAND THAT BY AGREEMENT TO BINDING ARBITRATION THEY ARE GIVING UP THE RIGHTS THEY MAY OTHERWISE HAVE TO TRIAL BY A COURT OR A JURY AND ALL RIGHTS OF APPEAL, AND TO AN AWARD OF PUNITIVE OR EXEMPLARY DAMAGES.

[Remainder of page intentionally left blank. Signature pages follow.]

DATED as of the Date of Issuance identified on the cover page hereof.

MM CAN USA, INC.

By: _____

Name: Adam Bierman

Title: CEO

Address: 10115 Jefferson Blvd., Culver City, CA 90232

Email Address:

Agreed to and accepted:

AC ANSON INVESTMENTS LTD., BY ITS CO-INVESTMENT ADVISER, ANSON ADVISORS INC.

By: _____

Name:

Title:

Address:

Email Address:

SCHEDULE "A"

CONVERSION FORM

TO: MM CAN USA, INC.

The undersigned registered holder of the within Note hereby irrevocably elects to convert said Note (or US$_____ principal amount thereof*) into Class B Common Shares of the Corporation in accordance with the terms hereof at a conversion price of US$3.15 per Class B Common Share (subject to adjustment in accordance with the terms of the Note) and directs that the Conversion Shares issuable and deliverable upon the conversion be issued and delivered to the person indicated below.

Date: _____

_____
(Signature of Holder)

* If less than the full principal amount of the within Debenture is to be converted, indicate in the space provided the principal amount to be converted.

Print name in which Class B Common Shares issued on conversion are to be issued, delivered and registered.

Name: _____

_____
(Address)

SCHEDULE "B"

WARRANT

(See Attached)

CONVERTIBLE PROMISSORY NOTE

No. CN-2018-004 **Date of Issuance:**

US$450,000 **May 10, 2018**

FOR VALUE RECEIVED, MM CAN USA, INC., a Delaware corporation (the "**Company**"), hereby promises to pay to the order of **ANSON OPPORTUNITIES MASTER FUND LP, BY ITS CO-INVESTMENT ADVISER, ANSON ADVISORS INC.** (the "**Holder**"), the principal sum of US$450,000 (the "**Principal Amount**"), together with interest thereon from the date of issuance of this convertible promissory note (this "**Note**"). Interest will accrue at a simple rate of 5.00% per annum. Unless earlier converted into Conversion Shares (as defined below), the principal of this Note will be due and payable by the Company on the date which is three (3) months from the date hereof (the "**Maturity Date**"); provided that, upon completion by the Company of a "go-public" transaction on a recognized exchange in Canada, substantially upon the terms and conditions set forth in the draft management information circular (the "**Circular**") delivered to the Holder (together with the accompanying subscription receipt financing, the "**RTO**"), the Maturity Date will automatically be extended to the date that is 24 months from the date hereof. The Canadian parent company of the Company following completion of the RTO is referred to herein as the "**Resulting Issuer**". Further, the Company, the Resulting Issuer, MedMen Enterprises USA, LLC, a Delaware limited liability company ("**MME**") and their respective subsidiaries through which MME and the Company intend to pursue the RTO are collectively referred to as the "**Enterprise**".

1. Payment.

1.1 All payments will be made in lawful money of the United States at the principal office of the Company, or at such other place as the Holder may from time to time designate in writing to the Company. Payment will be credited first to accrued interest due and payable, with any remainder applied to principal.

1.2 The Company shall pay simple interest on that portion of the Principal Amount outstanding from time to time from the date of issuance of this Note up to and including the date of repayment of the Principal Amount at the rate of 5.00% per annum, computed on a daily basis on a year of 365 days. The interest will be payable quarterly in arrears throughout the life of the Note.

1.3 In connection with the issuance of this Note, the Company shall also issue to Holder warrants to acquire up to fifty percent (50%) of the Conversion Shares (defined below) underlying this Note (the "**Warrant**") which Warrant shall be in the form attached hereto as Schedule "B".

2. Ranking. This Note is a senior unsecured obligation of the Company and shall rank pari passu with all other current and future senior unsecured debt of the Company.

3. Conversion of Note.

3.1 Conversion. As of the date hereof, the unpaid Principal Amount of this Note will be convertible by the Holder, in whole or in part, upon written notice to the Company, into Class B Common Shares (the "**Common Shares**") of the Company ("**Conversion Shares**", and together with the Note and the Warrant, the "**Securities**"), at a conversion price of US$3.15 per Common Share, representing a valuation for the Enterprise of US$1.24 billion (i.e. 75% of a $1.65 billion valuation of the Enterprise) (the "**Conversion Price**"); provided that if the valuation of the Enterprise in a Liquidity Event (as defined herein) is less or more than US$1.65 billion, the conversion price shall automatically be reduced or increased to equal 75% of the valuation of the Enterprise in such Liquidity Event.

3.2 For purposes of this Note, "**Liquidity Event**" is defined as the occurrence of any of: (a) a listing of the securities of the Company or successor public issuer on a recognized stock exchange, by way of an initial public offering, reverse merger or other listing transaction, including, for clarity, the RTO, or (b) prior to the RTO, (i) the dissolution or liquidation of the Company; (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company, (iii) the acquisition of the Company through consolidation, merger, exchange of securities, amalgamation, statutory arrangement or otherwise, but expressly excluding any "intra group transfer" to allow shareholders of the Company that are entities to transfer or distribute equity interests within their group of affiliated persons or entities; or (iv) a Change of Control. For purposes of this Note, a "**Change of Control**" is defined as any transaction or series of related transactions after which any person or entity which does directly or indirectly own equity interests in the Company as of date hereof, acquires more than 50% of the voting interests of the Company, but expressly excluding any "intra group transfer" to allow shareholders of the Company that are entities to transfer or distribute equity interests within their group of affiliated persons or entities.

3.3 In the event that the Company does not complete the RTO prior to the Maturity Date, the Principal Amount repayable upon the Maturity Date shall be equal to US$5.25 million, plus accrued and unpaid interest.

3.4 If, during the term of the Note, the Company proposes to complete a Liquidity Event other than the RTO, it shall provide 10 days' prior written notice of such Liquidity Event including the terms thereof to the Holder. The Holder shall then have the option, upon written notice to the Company delivered prior to the effective date of such Liquidity Event, to "put" or require the Company to redeem the Note at a redemption price equal to 101% of the then-outstanding Principal Amount of the Note.

3.5 Manner of Exercise of Right of Conversion.

(a) If the Holder wishes to convert this Note in whole or in part into Conversion Shares, it shall surrender such Note to the Company together with the Conversion Form attached hereto as Schedule "A", duly executed by the Holder or its executors or administrators or other legal representatives or its or their attorney duly appointed by an instrument, irrevocably exercising its right to convert such Note in accordance with the provisions of this Article 3. Thereupon, the Holder or its nominee or assignee, shall be entitled to be entered in the books of the Company (and, following the RTO, the Resulting Issuer) as at the date of conversion as the holder of the number

of Conversion Shares (and, following the RTO, underlying Resulting Issuer shares) into which such Note is convertible in accordance with the provisions hereof and, as soon as practicable and in any event within three business days thereafter, the Company shall deliver to the Holder or, subject as aforesaid, its nominee or assignee, a certificate for such Conversion Shares (or, following the RTO, underlying Resulting Issuer shares) in certificated form, or by way of non-certificated issuance, at the sole discretion of the Holder.

(b) Any part of this Note may be converted as provided herein. If only part of this Note is converted, the Holder shall upon the exercise of its right of conversion, surrender this Note to the Company, and the Company shall cancel the same and shall, without charge, forthwith certify and deliver to the Holder a new Note in the aggregate principal amount equal to the unconverted part of the principal amount of this Note.

(c) Upon surrender of this Note for conversion in accordance with this Section 3.5, the Holder shall be entitled to receive accrued and unpaid interest in cash paid by the Company in respect of the portion so converted only for the period up to the date of conversion. The Conversion Shares issued upon conversion, shall from and after the date of conversion, for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

3.6 Reservation of Common Shares Issuable Upon Conversion. The Company shall at all times while this Note remains outstanding reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of effecting the conversion of this Note such number of its Common Shares as would from time to time be sufficient to effect the conversion of this Note into Conversion Shares, and if at any time the number of authorized but unissued Common Shares shall not be sufficient to effect the conversion of this Note, the Company will take such corporate action as may be necessary to increase its authorized but unissued Common Shares to such number of securities as shall be sufficient for such purpose. All Conversion Shares issued hereunder shall be duly and validly issued as fully paid and non-assessable.

3.7 Payment of Interest Upon Conversion. Any accrued but unpaid interest at the time of conversion shall be payable to the Holder in cash by the Company.

3.8 Capital Adjustments.

(a) In the event that the Common Shares are subject to any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting the Common Shares, the number of Conversion Shares which are the subject of the conversion and the exercise price therefore shall be likewise adjusted in order to reflect the change (for the purpose of preserving the value of such conversion), with respect to the number or kind of shares or other securities of the Company subject to the Conversion and the exercise price of the conversion. The Company covenants to provide the Holder with prior written notice of any transaction giving rise to an adjustment hereunder. For clarity, as and from

completion of the RTO, this Note shall upon exercise entitle the Holder to receive Common Shares of the Company which Common Shares shall be exchangeable on an economically equivalent basis into common shares of the Resulting Issuer.

4. Representations and Warranties of the Company. In connection with the transactions contemplated by this Note, the Company hereby represents and warrants to the Holder as follows:

4.1 Benefit of Agency Agreement. The Holder shall have the benefit of the representations and warranties made by the Company (and its affiliates, as applicable) to the agent and set forth in the agency agreement to be entered into in connection with the RTO. Such representations and warranties shall form an integral part of this Note.

4.2 Due Organization; Qualification and Good Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted; provided, it is currently contemplated that the Company will reorganize as a California corporation on or before the completion of the RTO. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify or to be in good standing would have a material adverse effect on the Company.

4.3 Capitalization. The share capitalization of the Company and its affiliates, as at the date hereof and as at closing of the RTO, is substantially as described in the Circular.

4.4 Authorization and Enforceability. Except for the authorization and issuance of the Conversion Shares, all corporate action has been taken on the part of the Company and its officers, directors and stockholders necessary for the authorization, execution and delivery of this Note. Except as may be limited by applicable bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights, the Company has taken all corporate action required to make all of the obligations of the Company reflected in the provisions of this Note valid and enforceable in accordance with its terms.

4.5 No Conflict. The Company is not in, and the performance of the Company's obligations hereunder will not result in, violation of (a) its constating documents, (b) any resolutions of the Company’s directors or shareholders, (c) applicable law, or (d) any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound.

4.6 Litigation. There are no actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding, pending or, to the best of the Company's knowledge, threatened against or affecting the Company, or the directors, officers or employees thereof, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of the Company's knowledge, there is no basis therefore and neither the Company 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, would materially adversely affect the ability of the Corporation to perform its obligations.

5. Representations and Warranties of the Holder. In connection with the transactions contemplated by this Note, the Holder hereby represents and warrants to the Company as follows:

5.1 Authorization. The Holder has full power and authority (and, if an individual, the capacity) to enter into this Note and to perform all obligations required to be performed by it hereunder. This Note, when executed and delivered by the Holder, will constitute the Holder's valid and legally binding obligation, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

5.2 Non-US Person. The Holder is not a "U.S. person", as defined in Regulation S under the Securities Act (which definition includes but is not limited to (A) any individual resident in the United States, (B) any partnership or corporation organized or incorporated under the laws of the United States, (C) any partnership or corporation formed by a U.S. person under the laws of any foreign jurisdiction principally for the purpose of investing in securities not registered under the Securities Act of 1933 (as amended, the "**Securities Act**"), or (D) any estate or trust of which any executor, administrator or trustee is a U.S. person), and is not acquiring the Securities, for the account or benefit of a "U.S. person" or person in the United States.

5.3 Offer Outside of the US. Holder was not offered to acquire the Securities in the United States, did not receive any materials relating to the offer of the Securities in the United States, and did not execute this Note in the United States.

5.4 No Registration. Holder is not acquiring the Securities as the result of any directed selling efforts (as defined in Rule 902(c) of the Securities Act) and the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the Securities Act.

5.5 No Distribution. Holder has no intention to distribute either directly or indirectly this Note or any of the Securities in the United States, except in compliance with the Securities Act and any applicable state securities laws.

5.6 No Registration. HOLDER UNDERSTANDS THAT THE OFFERING AND THE SALE OF THE SECURITIES HAS NOT BEEN REGISTERED UNDER THE LAWS OF ANY JURISDICTION (INCLUDING THE SECURITIES ACT), OR THE LAWS OF ANY STATE OF THE UNITED STATES OF AMERICA OR THE LAWS OF ANY FOREIGN JURISDICTION); AND FURTHER UNDERSTANDS THAT THE COMPANY HAS NOT BEEN, AND IS NOT ANTICIPATED TO BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "***INVESTMENT COMPANY ACT***").

5.7 Residence. If the Holder is an individual, then the Holder resides in the state or province identified in the address shown on the Holder's signature page hereto. If the Holder is a partnership, corporation, limited liability company or other entity, then the Holder's

principal place of business is located in the state or province identified in the address shown on the Holder's signature page hereto.

5.8 Information. The Holder has (i) received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Securities, (ii) had an opportunity to review, ask questions, and receive answers from the Company regarding such information and to obtain any additional information necessary to verify the accuracy of the information given Holder; (iii) such knowledge and experience in financial and business matters that he, she or it is capable of evaluating the merits and risk of this investment; (iv) not relied upon any other information, representation or warranty by the Company or any of its agents or representatives in determining to acquire the Securities, and Holder understands that the documents and information conveyed by the Company and its agents or representatives are not intended to convey tax or legal advice specific to Holder's circumstances; and (v) consulted to the extent it has deemed appropriate, with Holder's own advisers as to the financial, tax, legal and related matters concerning the Securities and on that basis believes that purchasing the Securities is suitable and appropriate for Holder.

5.9 Reliance by the Company. The Company will materially rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

6. Covenants.

6.1 Affirmative Covenants of the Company. The Company covenants that:

(a) it shall pay, observe or perform all of its covenants, obligations, conditions or agreements contained in this Note;

(b) it shall preserve and maintain its corporate existence, rights and privileges in its respective jurisdictions, and qualify and remain qualified as a foreign corporation in good standing in each jurisdiction in which such qualification is required; and

(c) it shall comply with all applicable laws of any governmental authority, non-compliance with which could materially adversely affect the business or condition of the Company, financial or otherwise, on a consolidated basis.

(d) it shall use its best efforts to complete the RTO on or prior to the Maturity Date;

(e) the shares of the Resulting Issuer issuable upon exercise of this Note following completion of the RTO are and will be unrestricted and free trading securities under all applicable Canadian securities laws, and any US legends imposed on such shares will not preclude a resale by the Holder through the facilities of the Canadian Securities Exchange or otherwise to non US persons. For clarity, the Conversion Shares are not and will not be subject to any contractual escrow or lock-up restrictions.

6.2 Affirmative Covenants of the Holder. Concurrent with, and as a condition to, the execution of this Promissory Note, Holder and its affiliates agree to subscribe, in aggregate,

for a minimum of US$10 million of Common Shares in the brokered private placement of subscription receipts to be undertaken by the Company concurrently with the RTO.

7. Events of Defaults and Remedies.

7.1 The occurrence of any of the following events shall be considered an "**Event of Default**" under this Note: (a) the Company shall default in the payment of any part of the principal or interest on the Note when due; (b) the Company shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition for bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, dissolution or similar relief under any present or future statute, law or regulation, or shall file any answer admitting the material allegations of a petition filed against the Company in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Company or any subsidiary, or of all or any substantial part of the properties of the Company, or the Company or any of its respective directors or majority stockholders shall take any action looking to the dissolution or liquidation of the Company; (c) within 30 days after the commencement of any proceeding against the Company or any subsidiary seeking any bankruptcy reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or within 30 days after the appointment without the consent or acquiescence of the Company or any subsidiary of any trustee, receiver or liquidator of the Company or any subsidiary or of all or any substantial part of the properties of the Company or any subsidiary, such appointment shall not have been vacated; (d) any representation or warranty made by the Company in this Note shall prove to have been incorrect when made in any material respect; (e) the Company fails to perform or observe any covenant contained in this Note, or any other agreement entered into in connection therewith; (f) any material judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a material part of the property of the Company and such judgment, writ, warrant of attachment or execution or similar process shall not be released, vacated or fully bonded within 60 days after its issue or levy; or (g) failure of the Borrower or any of its subsidiaries to pay when due any material indebtedness, the default by the Borrower or any of its subsidiaries in the performance of any term, provision or condition in any agreement with respect to material indebtedness, or any other event or condition, the effect of which default, event or condition is to cause, or to permit the holder(s) of such material indebtedness or the lender(s) under any such material indebtedness agreement to cause, such material indebtedness to become due prior to its stated maturity or any commitment to lend under any material indebtedness agreement to be terminated prior to its stated expiration date; any material indebtedness of the Company being declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof, provided, however, that in the event that the applicable lender waives compliance with the performance of any term, provision or condition contained in loan documents applicable to such material indebtedness, there shall not be an Event of Default pursuant to this Section 7.1 with respect to a breach under such loan document.

7.2 Upon the occurrence of an Event of Default under Section 7.1 hereof, at the option and upon the declaration of the Holder, the entire unpaid principal and accrued and

unpaid interest on such Note shall, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived, be forthwith due and payable, and such Holder may, immediately and without expiration of any period of grace, enforce payment of all amounts due and owing under such Note and exercise any and all other remedies granted to it at law, in equity or otherwise. The Company shall promptly notify the Holder of the occurrence of any Event of Default.

8. Miscellaneous.

8.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Note will inure to the benefit of, and be binding upon, the respective successors and assigns of the parties; provided, however, that the Company may not assign its obligations under this Note without the written consent of the Holder. This Note is for the sole benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or will confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Note.

8.2 Choice of Law. This Note, and all matters arising out of or relating to this Note, whether sounding in contract, tort, or statute will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

8.3 Notices. All notices and other communications given or made pursuant hereto will be in writing and will be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email or confirmed facsimile; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications will be sent to the respective parties at the addresses shown on the signature pages hereto (or to such email address, facsimile number or other address as subsequently modified by written notice given in accordance with this Section 8.3).

8.4 Expenses. The Company shall, forthwith upon presentation of invoices therefor and whether or not the transactions contemplated hereby are completed, pay the Holder's costs and expenses, including legal fees, in connection with Holder’s investment hereunder and its participation in the proposed RTO financing, to an aggregate maximum of $35,000 inclusive of tax and disbursements.

8.5 Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party will be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

8.6 Entire Agreement; Amendments and Waivers. This Note constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof. Any term of this Note may be amended and the observance of any term may be waived

(either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company and the Holder. Any waiver or amendment effected in accordance with this Section 8.6 will be binding upon each future holder of this Note and the Company.

8.7 Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provisions will be excluded from this Note and the balance of the Note will be interpreted as if such provisions were so excluded and this Note will be enforceable in accordance with its terms.

8.8 Transfer. This Note may be transferred upon the consent of the Company, not to be unreasonably withheld, by the Holder in accordance with applicable securities laws, upon its surrender by Holder to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer. This Note will be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and interest will be issued to, and registered in the name of, the transferee. Interest and principal will be paid solely to the registered holder of this Note. Such payment will be full discharge of the Company's obligation to pay such interest and principal.

8.9 Arbitration and Venue.

(a) Any claim or controversy between the parties arising out of or relating to this Note or any breach hereof shall be submitted to FINAL AND BINDING ARBITRATION BEFORE JAMS IN THE STATE OF CALIFORNIA, COUNTY AND CITY OF LOS ANGELES, PURSUANT TO THE JAMS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES. ALL PARTIES FURTHER AGREE THAT THE ARBITRATION SHALL BE CONDUCTED BEFORE A SINGLE JAMS ARBITRATOR WHO IS A RETIRED CALIFORNIA OR FEDERAL JUDGE OR JUSTICE. The parties shall mutually agree on one arbitrator from the list provided by the arbitrating organization; provided that if the parties cannot agree, then each party shall select one arbitrator from the list, and the two (2) arbitrators so selected shall agree upon a third (3rd) arbitrator chosen from the same list, which third (3rd) arbitrator shall determine the dispute. The arbitrator shall, to the fullest extent permitted by law, have the power to grant all legal and equitable remedies including provisional remedies and award compensatory damages provided by law; however, the arbitrator shall not have authority to award punitive or exemplary damages. The arbitrator shall award costs and attorneys' fees in accordance with the terms and conditions of this Note. The prevailing party in any arbitration or litigation shall be reimbursed for its arbitration costs (including attorneys' fees) by the non-prevailing party. The parties further agree that, upon application of the prevailing party, any Judge of the Superior Court of the State of California, for the County of Los Angeles, may enter a judgment based on the final arbitration award issued by the JAMS arbitrator, and the parties expressly agree to submit to the jurisdiction of this Court for such a purpose. No action at law or in equity based upon any claim arising out of or related to this Note shall be instituted in any court by any party (or their respective equity holders) except (A) an action to compel arbitration pursuant to this Section 8.9 or (B) an action to enforce an award obtained in an arbitration proceeding in accordance with this Section 8.9.

(b) THE PARTIES UNDERSTAND THAT BY AGREEMENT TO BINDING ARBITRATION THEY ARE GIVING UP THE RIGHTS THEY MAY OTHERWISE HAVE TO TRIAL BY A COURT OR A JURY AND ALL RIGHTS OF APPEAL, AND TO AN AWARD OF PUNITIVE OR EXEMPLARY DAMAGES.

[Remainder of page intentionally left blank. Signature pages follow.]

DATED as of the Date of Issuance identified on the cover page hereof.

MM CAN USA, INC.

By: _____

Name: Adam Bierman

Title: CEO

Address: 10115 Jefferson Blvd., Culver City, CA 90232

Email Address:

Agreed to and accepted:

ANSON OPPORTUNITIES MASTER FUND LP, BY ITS CO-INVESTMENT ADVISER, ANSON ADVISORS INC.

By: _____

Name:

Title:

Address:

Email Address:

SCHEDULE "A"

CONVERSION FORM

TO: MM CAN USA, INC.

The undersigned registered holder of the within Note hereby irrevocably elects to convert said Note (or US$_____ principal amount thereof*) into Class B Common Shares of the Corporation in accordance with the terms hereof at a conversion price of US$3.15 per Class B Common Share (subject to adjustment in accordance with the terms of the Note) and directs that the Conversion Shares issuable and deliverable upon the conversion be issued and delivered to the person indicated below.

Date: _____

_____
(Signature of Holder)

* If less than the full principal amount of the within Debenture is to be converted, indicate in the space provided the principal amount to be converted.

Print name in which Class B Common Shares issued on conversion are to be issued, delivered and registered.

Name: _____

_____
(Address)

SCHEDULE "B"

WARRANT

(See Attached)

Electronically filed / Déposé par voie électronique : 01-Nov-2024
Toronto Superior Court of Justice / Cour supérieure de justice

MedMen Enterprises Inc.

CSE FORM 2A

LISTING STATEMENT

DATED AS OF MAY 28, 2018

MedMen Enterprises Inc. derives a substantial portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. MedMen Enterprises Inc. is indirectly involved (through subsidiaries) in the cannabis industry in the United States where local state laws permit such activities. Currently, its subsidiaries are directly engaged in the manufacture, possession, use, sale or distribution of cannabis in the recreational and medicinal cannabis marketplace in the States of California, Nevada and New York. See Section 17 of this Listing Statement – Risk Factors for additional information on this risk.

MedMen Enterprises Inc. indirectly holds all the voting interests and an approximate 7% equity interest in MM Enterprises USA, LLC, the entity through which all operating subsidiaries are held. Shareholders are cautioned that at this time, the outstanding Subordinate Voting Shares represent a minority equity interest in MM Enterprises USA, LLC.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Listing Statement includes “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities laws and United States securities laws. All information, other than statements of historical facts, included in this Listing Statement that address activities, events or developments that the Resulting Issuer expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes, among others, information regarding: expectations for the effects of the Business Combination, the potential benefits of the Business Combination; statements relating to the business and future activities of, and developments related to, the Resulting Issuer after the date of this Listing Statement, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Resulting Issuer’s business, operations and plans, including new revenue streams, the completion of contemplated acquisitions by the Resulting Issuer of additional real estate assets, roll out of new dispensaries, the implementation by the Resulting Issuer of direct-to-consumer delivery services and in-store pickup, implementation of a research and development division, the application for additional licenses and the grant of licenses that have been applied for, the expansion of existing cultivation and production facilities, the completion of cultivation and production facilities that are under construction, the construction of additional cultivation and production facilities, the expansion into additional United States and international markets, including Canada under the joint venture arrangement with Cronos, any potential future legalization of adult-use and/or medical marijuana under U.S. federal law; expectations of market size and growth in the United States and the states in which the Resulting Issuer operates; expectations for other economic, business, regulatory and/or competitive factors related to the Resulting Issuer or the cannabis industry generally; and other events or conditions that may occur in the future.

Resulting Issuer Shareholders are cautioned that forward-looking information and statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of the Resulting Issuer at the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Resulting Issuer, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Such factors include, among others, risks relating to U.S. regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to contracts with third party service providers; risks related to the enforceability of contracts; the limited operating history of MedMen; reliance on the expertise and judgment of senior management of the Resulting Issuer; risks inherent in an agricultural business; risks related to co-investment with parties with different interests to the Resulting Issuer; risks related to proprietary intellectual property and potential infringement by third parties; the concentrated Founder voting control of the Resulting Issuer and the unpredictability caused by the anticipated capital structure; risks relating to financing activities including leverage; risks relating to the management of growth; increased costs associated with the Resulting Issuer becoming a publicly traded company; increasing competition in the industry; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labour; cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effect service outside of Canada; risks related to future acquisitions or dispositions; sales by existing shareholders; the limited market for securities of the Resulting Issuer; limited research and data relating to cannabis; as well as those risk factors discussed in Section 17 of this Listing Statement below. Although the Resulting Issuer has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information and statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are provided and made as of

the date of this Listing Statement and the Resulting Issuer does not undertake any obligation to revise or update any forward-looking information or statements other than as required by applicable law.

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GLOSSARY

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Listing Statement.

"**A&R LLC Agreement**" means the Third Amended and Restated Limited Liability Company Agreement of MedMen, entered into by MedMen and each of the members of MedMen on the Closing Date.

"**Abbot Kinney Acquisition**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**Agency Agreement**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**Agents**" means Cormark Securities Inc., Canaccord Genuity Inc., Eight Capital Corp., GMP Securities L.P., Beacon Securities Limited, Echelon Wealth Partners Inc., and Mackie Research Capital Corporation, as agents in connection with the SR Offering.

"**AO LTIP Unit**" means a unit of MedMen which is designated as an "Appreciation Only LTIP Unit" in a relevant vesting agreement or other documentation pursuant to which such AO LTIP Unit is granted or issued, having the rights, powers, privileges, restrictions, qualifications and limitations set forth in Exhibit A to the A&R LLC Agreement in respect of the holder thereof, as well as any relevant vesting agreement or other documentation pursuant to which such AO LTIP Unit is granted or issued.

"**API**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**April Indebtedness**" has the meaning ascribed thereto under Section 5 of this Listing Statement.

"**Awards**" has the meaning ascribed thereto under Section 9 of this Listing Statement.

"**AUMA**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Bank Secrecy Act**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Basis Adjustments**" has the meaning ascribed thereto under Section 10 of this Listing Statement.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended.

"**BCC**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Business Combination**" means the business combination among Ladera and MedMen pursuant to which MedMen completed a reverse take-over of Ladera.

"**CBD**" has the meaning ascribed thereto under Section 17 of this Listing Statement.

"**CCA**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**CDS**" has the meaning ascribed thereto under Section 17 of this Listing Statement.

"**Closing Date**" means date on which the Business Combination was completed, being May 28, 2018.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Cole Memo**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Common Units**" means those units designated by MedMen after MedMen effected a recapitalization of its outstanding unit capital in connection with the Business Combination, whereby under such recapitalization all previously issued MedMen Units were combined into a single class of non-voting units of MedMen.

"**Company Valuation**" has the meaning ascribed thereto under Section 5 of this Listing Statement.

"**Consolidation**" means the consolidation of the Ladera Shares on the basis of one consolidated Ladera Share for 9.2623 existing Ladera Shares.

"**Cronos**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**CSA**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

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

"**CUA**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**DHS Owner**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**DLLCA**" means the Delaware Limited Liability Company Act.

"**DOT**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Escrow Agent**" means Odyssey Trust Company in its capacity as escrow agent in connection with the SR Offering.

"**Escrowed Funds**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**FATCA**" means Foreign Account Tax Compliance Act.

"**Financing Event**" has the meaning ascribed thereto under Section 5 of this Listing Statement.

"**FinCEN**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**FinCEN Memo**" has the meaning ascribed thereto under Section 17 of this Listing Statement.

"**FIRPTA**" has the meaning ascribed thereto under Section 24 of this Listing Statement.

"**Formation and Contribution Agreement**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**Founders**" means, together, Adam Bierman and Andrew Modlin.

"**Fully Diluted Capitalization**" has the meaning ascribed thereto under Section 5 of this Listing Statement.

"**Fund I**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**Fund II**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**FV LTIP Unit**" means a unit of MedMen which is designated as a "Full Value LTIP Unit" in a relevant vesting agreement or other documentation pursuant to which such FV LTIP Unit is granted or issued, having the rights, powers, privileges, restrictions, qualifications and limitations set forth in Exhibit A to the A&R LLC Agreement in respect of the holder thereof, as well as any relevant vesting agreement or other documentation pursuant to which such FV LTIP Unit is granted or issued.

"**IRS**" means United States Internal Revenue Service.

"**ISOs**" has the meaning ascribed thereto under Section 9 of this Listing Statement.

"**IT**" has the meaning ascribed thereto under Section 17 of this Listing Statement.

"**Joint Venture Parties**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**Ladera**" means Ladera Ventures Corp., a corporation existing under the BCBCA, which entity was renamed to MedMen Enterprises Inc. in connection with the Business Combination and for references herein following the completion of the Business Combination is referred to herein as the Resulting Issuer.

"**Ladera Board**" means the board of directors of Ladera.

"**Ladera Shareholders**" means the holders of Ladera Shares.

"**Ladera Shares**" means the common shares in the capital of Ladera, prior to giving effect to the Business Combination, including the Consolidation, the Name Change and the Share Terms Amendment.

"**Ladera Subscription Receipt Offering**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Ladera Subscription Receipts**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Leahy Amendment**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**LIBOR**" means during any period, an interest rate per annum equal to the one-year LIBOR rate reported, on the date two (2) calendar days prior to the first day of such period, on the Telerate Page 3750 (or if such screen shall cease to be publicly available, as reported on Reuters Screen page "LIBOR01" or by any other publicly available source of such market rate) for London interbank offered rates for United States dollar deposits for such period.

"**LTIP Units**" has the meaning ascribed thereto under Section 10 of this Listing Statement.

"**MAUCRSA**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**May Convertible Notes**" has the meaning ascribed thereto under Section 3 of this Listing Statement,

"**MCRSA**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**MedMen**" means MM Enterprises USA, LLC, a limited liability company existing under the laws of the State of Delaware.

"**MedMen Acquisition**" means MedMen Acquisition Corp., a company existing prior to the completion of the Business Combination under the laws of the Province of British Columbia, which entity was amalgamated with a subsidiary of Ladera in connection with the completion of the Business Combination.

"**MedMen Acquisition Shares**" means the common shares in the capital of MedMen Acquisition.

"**MedMen Canada**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**MedMen Convertible Note Conversion Price**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**MedMen Convertible Note Offering**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**MedMen Convertible Notes**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**MedMen Corp**" means MM CAN USA, Inc., a company existing under the laws of the State of California and an entity that became a direct subsidiary of Ladera as a result of the Business Combination.

"**MedMen Corp Redeemable Shares**" means the non-voting common shares in the capital of MedMen Corp.

"**MedMen Corp Voting Shares**" means the voting common shares in the capital of MedMen Corp.

"**MedMen February Unit Offering**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**MedMen Group of Companies**" means, collectively, the following companies: MMMG LLC, MMOF Downtown Collective, LLC, MMOF Venice, LLC, MMOF Venice Collective, LLC, MMOF BH Collective, LLC, Project Compassion Venture, LLC, The MedMen of Nevada 2, LLC, Project Mustang Development, LLC, Desert Hot Springs Green Horizon, Inc., and Manlin DHS Development, LLC, being, among the companies whose assets or securities were contributed to MedMen on January 24, 2018 pursuant to the Formation and Contribution Agreement, those companies with businesses as of December 31, 2017.

"**MedMen LTIP Unitholders**" means the holders of LTIP Units.

"**MedMen Members**" means the holders of MedMen Units.

"**MedMen NY**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**MedMen Redeemable Units**" means the Common Units of MedMen following completion of the Business Combination held by MedMen Members other than MedMen Corp.

"**MedMen Units**" means the Class A units and Class B units in the capital of MedMen existing prior to the recapitalization of MedMen in connection with the completion of the Business Combination.

"**MedMen Warrant**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**Meeting**" means the annual and special meeting of Ladera Shareholders held on May 28, 2018.

"**METRC**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**MMMG**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**MMNV2**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**MOU**" has the meaning ascribed thereto under Section 17 of this Listing Statement.

"**Name Change**" means the name change of Ladera to "MedMen Enterprises Inc.".

"**NEO**" means a named executive officer.

"**New Equity Incentive Plan**" means the new equity incentive plan approved by Ladera Shareholders at the Meeting and adopted by the Resulting Issuer.

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

"**NQSOs**" has the meaning ascribed thereto under Section 9 of this Listing Statement.

"**NY Licenses**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**NYSDOH**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**person**" means a company or individual.

"**PMP**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Preferred Shares**" means the preferred shares in the capital of the Resulting Issuer.

"**Prior LLC Agreement**" has the meaning ascribed thereto under Section 2 of this Listing Statement.

"**Resulting Issuer**" means MedMen Enterprises Inc., a corporation existing under the BCBCA and being Ladera after completion of the Business Combination.

"**Resulting Issuer Audit Committee**" means the audit committee of the Resulting Issuer.

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer as the same is constituted from time to time.

"**Resulting Issuer Options**" has the meaning ascribed thereto under Section 9 of this Listing Statement.

"**Resulting Issuer Shareholders**" means shareholders of the Resulting Issuer.

"**Rollover Notes**" has the meaning ascribed thereto under Section 5 of this Listing Statement.

"**RSUs**" has the meaning ascribed thereto under Section 9 of this Listing Statement.

"**San Diego Property**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**San Diego Property Acquisition**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**SARs**" has the meaning ascribed thereto under Section 9 of this Listing Statement.

"**seed-to-sale**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Share Terms Amendment**" means the amendment of the rights and restrictions of the existing class of Ladera Shares and redesignation of such class as the class of Subordinate Voting Shares and the creation of the class of Super Voting Shares.

"**SPE Entities**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**SPE Owners**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**SR Offering**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**SR Offering Price**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

"**Subordinate Voting Shares**" means the Class B Subordinate Voting Shares in the capital of the Resulting Issuer, after giving effect to the Business Combination.

"**Subscription Receipts**" means the subscription receipts of MedMen Acquisition issued pursuant to the SR Offering.

"**Super Voting Shares**" means the non-participating Class A Super Voting Shares in the capital of the Resulting Issuer, after giving effect to the Business Combination.

"**Support Agreement**" has the meaning ascribed thereto under Section 10 of this Listing Statement.

"**T&T**" has the meaning ascribed thereto under Section 4 of this Listing Statement.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

"**Tax Receivable Agreement**" has the meaning ascribed thereto under Section 10 of this Listing Statement.

"**THC**" has the meaning ascribed thereto under Section 17 of this Listing Statement.

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**USRPHC**" has the meaning ascribed thereto under Section 24 of this Listing Statement.

"**USRPI**" has the meaning ascribed thereto under Section 24 of this Listing Statement.

"**Utica Owner**" has the meaning ascribed thereto under Section 3 of this Listing Statement.

2. Corporate Structure

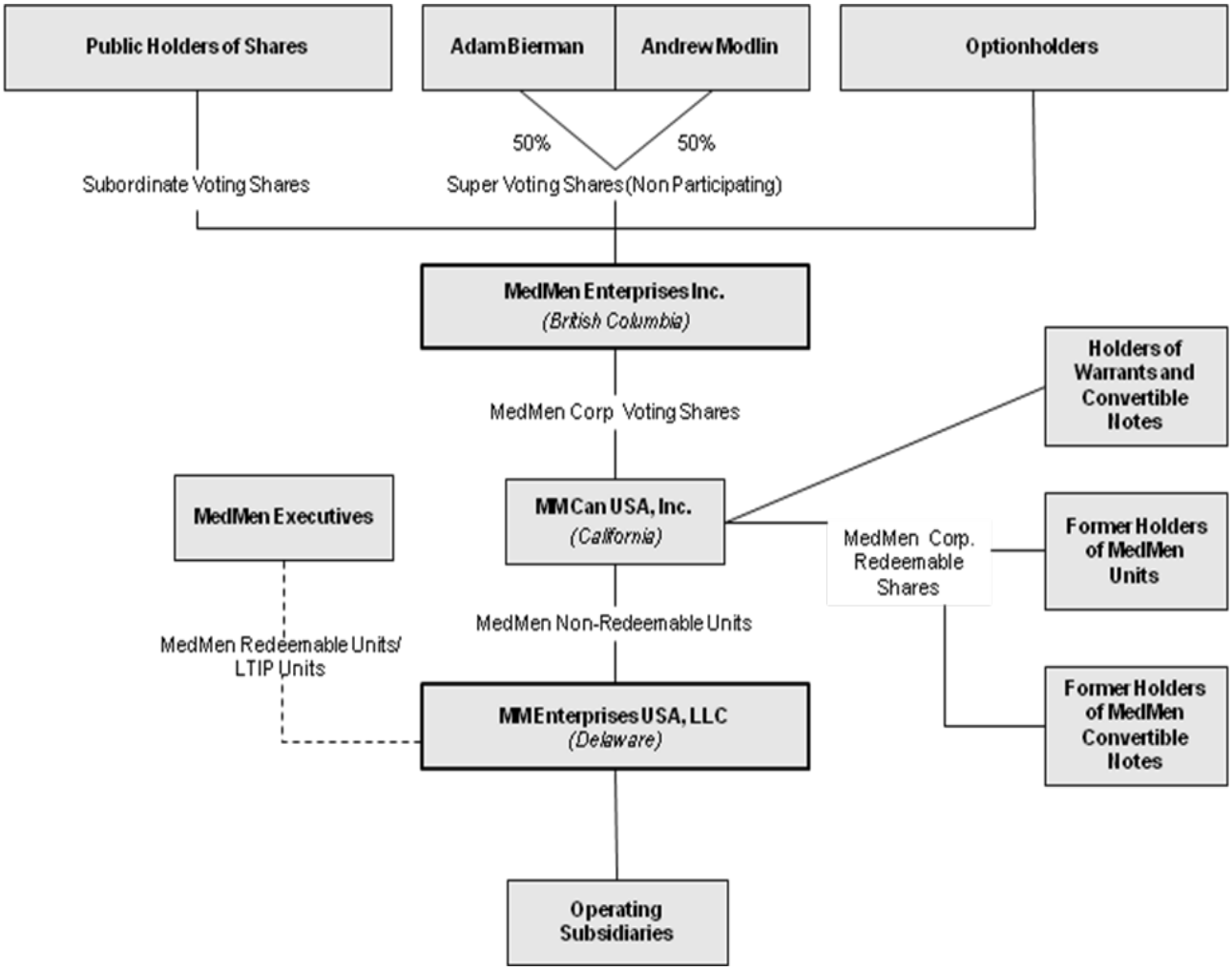
Ladera (formerly T.M.T. Resources Inc.) was incorporated in the Province of British Columbia under the BCBCA on May 21, 1987. On August 28, 2017, Ladera changed its name from T.M.T. Resources Inc. to Ladera Ventures Corp., and consolidated its common shares on a 10 old for 1 new basis. In connection with the Business Combination, Ladera filed a notice of alteration to effect the Name Change and the Share Terms Amendment and completed the Consolidation by way of resolution of the Ladera Board (without any corporate filings being necessary).

The Resulting Issuer's head office is located at 10115 Jefferson Boulevard, Culver City, California 90232 and registered office is located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

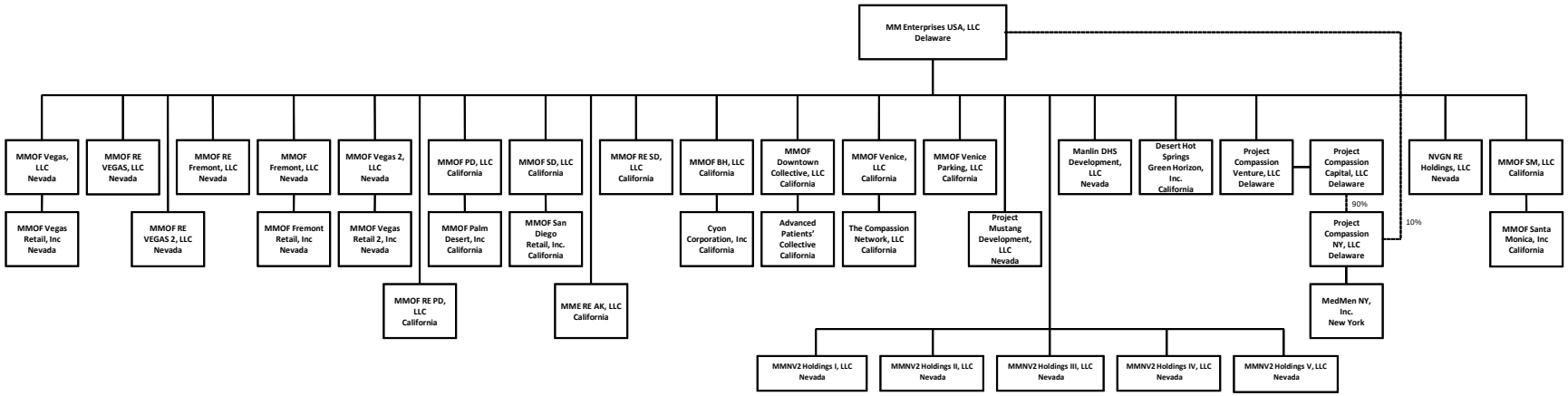
MedMen was formed as a limited liability company under the laws of the State of Delaware on January 9, 2018 and is governed by a limited liability company agreement dated the same, as amended and restated as of January 29, 2018 and as further amended and restated as of February 8, 2018 (the "**Prior LLC Agreement**"). The Prior LLC Agreement was further amended and restated in connection with the completion of the Business Combination. Please see Section 10 below for further details in respect of the A&R LLC Agreement.

Pursuant to the Business Combination, a series of transactions was completed resulting in a reorganization of MedMen and Ladera as a result of which, the Resulting Issuer became the indirect parent and sole voting unitholder of MedMen. Assuming the redemption in full of all redeemable securities of MedMen and its affiliates (being the effective economic equivalent of the Subordinate Voting Shares) outstanding immediately following the completion of the Business Combination (but otherwise assuming that other convertible securities of the Resulting Issuer, MedMen and its affiliates remain outstanding), securityholders of MedMen and MedMen Corp hold approximately 93.0% of the equity of the Resulting Issuer, while holders of Subordinate Voting Shares (former Ladera Shareholder and former holders of Subscription Receipts) hold approximately 7.0% of the equity of the Resulting Issuer.

The Resulting Issuer will carry on the business currently carried on by MedMen. Set forth below is the organization chart of the Resulting Issuer. The material subsidiaries of MedMen were not changed in connection with the Business Combination.


Public Holders of Shares
Adam Bierman
Andrew Modlin
Optionholders
50%
50%
Subordinate Voting Shares
Super Voting Shares (Non Participating)
MedMen Enterprises Inc.
(British Columbia)
Holders of Warrants and Convertible Notes
MedMen Corp Voting Shares
MedMen Executives
MM Can USA, Inc.
(California)
MedMen Corp. Redeemable Shares
Former Holders of MedMen Units
MedMen Non-Redeemable Units
MedMen Redeemable Units/ LTIP Units
MM Enterprises USA, LLC
(Delaware)
Former Holders of MedMen Convertible Notes
Operating Subsidiaries

The current organization chart of MedMen, setting out material subsidiaries of MedMen, is set forth below. Unless otherwise noted, all lines represent 100% ownership of outstanding securities of the applicable subsidiary.



3. General Development of the Business

On January 9, 2018, MedMen was formed as a joint venture to own, operate and develop certain businesses related to the cultivation, distribution and sale of cannabis and cannabis related products under the "MedMen" brand in jurisdictions where such cultivation, distribution and sale is authorized under applicable law. The contributors to the joint venture were MMMG, LLC ("**MMMG**"), a Nevada limited liability company, MedMen Opportunity Fund, LP ("**Fund I**"), a Delaware limited partnership, MedMen Opportunity Fund II, LP ("**Fund II**"), a Delaware limited partnership, The MedMen of Nevada 2, LLC ("**MMNV2**"), a Nevada limited liability company, DHSM Investors, LLC ("**DHS Owner**"), an Ohio limited liability company, and Bloomfield Partners Utica, LLC ("**Utica Owner**"), a New York limited liability company (collectively, the "**Joint Venture Parties**"). Pursuant to the Formation and Contribution Agreement dated January 24, 2018 among MedMen and the Joint Venture Parties (the "**Formation and Contribution Agreement**"), the Joint Venture Parties contributed to MedMen 100% of their respective interests in certain of their assets. Specifically:

- Fund I, Fund II, MMNV2, DHS Owner and Utica Owner ("**SPE Owners**") contributed 100% of their respective equitable interests in certain of their subsidiaries that own and operate one or more businesses licensed and/or authorized under applicable laws to cultivate, manufacture and/or sell cannabis and related products (these subsidiaries collectively referred to as, the "**SPE Entities**");

- Such SPE Entities held dispensaries, cultivation and production facilities, real estate, leases, licenses, equitable interests in other cannabis operators, and other assets, all of which were contributed by the SPE Owners through the contribution of their equitable interests in the SPE Entities; and

- MMMG contributed to MedMen all intellectual property (including those further described under Section 4 below), tangible personal property, contracts, agreements/arrangements, and leases and licenses held by MMMG in connection with its business operations at such time, including certain administrative and management services agreements with certain SPE Entities.

All contributions made by the Joint Venture Parties, including as described above, form part MedMen's business operations in California, Nevada and New York, which are further described herein. In exchange for their contributions, each Joint Venture Party received membership interest in MedMen in accordance with the value of such Joint Venture Party's contributed assets.

MMMG contributed its applicable assets for US$110,000,000 in MedMen Units. In respect of MMMG, Messrs. Bierman and Modlin are the operating managers and the members of the board of managers and each holds a 20.6% equity interest, Mr. Ganan holds a 5.2% equity interest, Fund I has a 10.2% equity interest and Fund II has a 13.2% equity interest. Fund I contributed its applicable assets for US$56,618,877 in MedMen Units. Messrs. Bierman, Modlin and Ganan each holds a 33.33% controlling interest (and each holds a 24.29% equity interest) in the general partner of Fund I. Fund II contributed its applicable assets for US$35,971,384 in MedMen Units. Messrs. Bierman, Modlin and Ganan each holds a 33.33% controlling interest (and each holds a 23.87% equity interest) in the general partner of Fund II. MMNV2 contributed its applicable assets for US$10,000,000 in MedMen Units. In respect of MMNV2, Messrs. Bierman and Modlin are the managers and each holds a 23.9% equity interest and Mr. Ganan holds a 5% equity interest.

The limited liability company agreement of MedMen was amended and restated as of January 29, 2018 to reflect the ownership of the Joint Venture Parties. Following the completion of the contribution transactions under the Formation and Contribution Agreement, MedMen became one of the largest vertically-integrated cannabis companies in the United States. MedMen operates in three of the largest cannabis markets in the United States, with assets in California, Nevada and New York.

Acquisitions and Dispositions

Since the formation of MedMen in early 2018, MedMen has closed on three other acquisitions:

San Diego

In February 2018, MedMen acquired (the "**San Diego Property Acquisition**") a dispensary and accompanying real estate in San Diego, located at 5125 Convoy Street (the "**San Diego Property**"). This dispensary is one of only 13 permitted retail cannabis dispensaries in San Diego. The total combined purchase price for both the dispensary and real estate was US$20.4 million. A portion of the real estate was financed through commercial debt (see Section 5 below). The dispensary was previously operational as a medical-only dispensary in 2017. The dispensary has since gained the necessary approvals for recreational cannabis sales. After undergoing renovation and conversion of the dispensary's signage to be consistent with the MedMen brand, the dispensary opened on February 17, 2018.

Las Vegas (Panacea/Strip)

In February 2018, MedMen acquired Panacea, a dispensary in Las Vegas, located at 4235 Arctic Spring Avenue, Las Vegas, Nevada 89115 for a purchase price of US$10 million. The dispensary commenced recreational sales in 2017 following the change in regulation in the state of Nevada, allowing the sale of recreational cannabis products. MedMen intends to eventually move the dispensary to a more strategic location closer to the Las Vegas Strip. MedMen has also purchased real estate located at 3025 and 3035 South Highland Drive, Las Vegas, Nevada 89109, for a combined purchase price of US$4.3 million, which property MedMen anticipates will serve as the new dispensary location. Such real estate is situated near a number of high-profile attractions such as the Wynn and Encore Hotels, Circus Circus and Floyd Mayweather's Girl Collection. The new dispensary location is expected to open in the fourth quarter of calendar 2018.

Venice Beach (Abbot Kinney)

In February 2018, MedMen acquired real estate located at 1308-1312 Abbot Kinney Boulevard, Venice Beach, California 90291 for a purchase price of US$19.35 million (the "**Abbot Kinney Acquisition**"). Abbot Kinney is one of the premier walkable tourist shopping and dining destinations within the Los Angeles beach communities. MedMen is in the process of relocating its managed dispensary currently located in Sun Valley to the new Abbot Kinney location. The Abbot Kinney Acquisition was financed in part by a loan described in Section 5 below.

Pipeline Transactions

MedMen has a number of potential acquisitions currently in its pipeline that are expected to close in the second and third quarters of this calendar year. These transactions include the purchase of two additional dispensaries in Las Vegas, which would be located in Downtown Las Vegas and near the McCarran International Airport. Letters of intent and definitive agreements have been signed on both transactions, and MedMen is entering the final stages of transaction approval at the state and local levels. MedMen is actively seeking additional acquisition

opportunities in its existing markets and additional key markets such as Illinois, Florida, Pennsylvania, New Jersey and Ohio.

In addition to pending acquisitions, MedMen is also in the application process for municipal cannabis licenses in Santa Monica, California and Palm Desert, California. MedMen has already secured the real estate for these potential dispensaries through lease/purchase options, a required step for obtaining such licenses. Upon grants of such licenses, the option to lease or purchase the applicable real estate will be exercised by MedMen and the existing facilities at the applicable properties will be remodeled and employees to operate such locations will be hired. Should such licenses be granted, the dispensaries are expected to commence operations in the second half of 2018. MedMen is also targeting an application for a dispensary license in Massachusetts. MedMen has already secured the real estate, on a non-binding basis, for the potential dispensary and will reference such real estate when applying for the dispensary license, which application is anticipated to be submitted in the second half of 2018.

For additional information in respect of MedMen's strategy for U.S. and international expansion, please see Section 4 below.

Financing Activities

On February 2, 2018, MedMen completed a US$36.5 million non-brokered private placement (the "**MedMen Convertible Note Offering**") comprised of US$36.5 million principal amount of convertible notes of MedMen (the "**MedMen Convertible Notes**") and warrants of MedMen (each, a "**MedMen Warrant**"). Each MedMen Convertible Note accrued interest at a rate of 10% per annum, compounded annually, and was fully due and payable on the earlier of July 31, 2019 and the occurrence of certain events of default. The outstanding principal amount under the MedMen Convertible Notes and all accrued interest thereon were automatically convertible prior to the maturity thereof upon the consummation by MedMen of certain transactions, which included the Business Combination, into Class B MedMen Units at a deemed price in U.S. dollars per Class B MedMen Unit (the "**MedMen Convertible Note Conversion Price**"), which was equal to 75% of the SR Offering Price. Applying the SR Offering Price of C$5.25 and a USD:CAD exchange rate of US$1.00 = C$1.26813, the MedMen Convertible Note Conversion Price was US$3.10. Each MedMen Warrant entitled the holder thereof to acquire 50% of the number of Class B MedMen Units issued to such holder upon conversion of their corresponding MedMen Convertible Note at a price per Class B MedMen Unit equal to the MedMen Convertible Note Conversion Price for a period of 90 days from and including the date of conversion of their corresponding MedMen Convertible Note, being May 28, 2018. The net proceeds of the MedMen Convertible Note Offering were used by MedMen for working capital, including without limitation, to purchase assets.

In connection with the Business Combination, the MedMen Warrants were amended to become exercisable for MedMen Corp Redeemable Shares on economically equivalent terms.

On February 26, 2018, MedMen completed a non-brokered private placement (the "**MedMen February Unit Offering**") of 8,110,620 MedMen Units at a price of US$4.44 per MedMen Unit, for aggregate gross proceeds of US$36 million. The net proceeds of the MedMen February Unit Offering were used by MedMen for working capital, including without limitation, to purchase assets.

On May 10, 2018, MedMen Corp completed a US$5.0 million non-brokered private placement comprised of US$5.0 million aggregate principal amount of convertible notes of MedMen Corp (the "**May Convertible Notes**"). Each May Convertible Note accrues interest at a rate of 5% per annum and is fully due and payable on August 10, 2018. The outstanding principal amount under the May Convertible Notes is convertible by the holders thereof into MedMen Corp Redeemable Shares at a conversion price of US$3.15 per MedMen Corp Redeemable Share

until August 10, 2018. Accrued interest on the May Convertible Notes becomes immediately repayable by MedMen Corp upon the conversion of the May Convertible Notes. The proceeds from the sale of the May Convertible Notes were used by MedMen for working capital. In connection with the sale of the May Convertible Notes, MedMen Corp issued to the lenders warrants to acquire 793,650 MedMen Corp Redeemable Shares ("**May 10 Warrants**") at an exercise price of US$3.15 per MedMen Corp Redeemable Share, exercisable for a five year period from May 10, 2018.

Pursuant to an agency agreement dated as of May 25, 2018 (the "**Agency Agreement**") between MedMen Acquisition, MedMen, MedMen Corp and Ladera and the Agents, MedMen Acquisition completed a private placement of 27,301,729 Subscription Receipts (the "**SR Offering**") at a price of C$5.25 per Subscription Receipt (the "**SR Offering Price**") for aggregate gross proceeds of approximately C$143.3 million.

Each Subscription Receipt automatically converted into one MedMen Acquisition Share immediately prior to and in connection with the completion of the Business Combination, without payment of additional consideration or further action on the part of the holder.

The gross proceeds of the SR Offering, less 50% of Agents' commission and all of the expenses of the Agents incurred in connection with the SR Offering, were held in escrow by the Escrow Agent pending the closing of the Business Combination. The funds held in escrow by the Escrow Agent, together with all interest and other income earned thereon, are referred to herein as the "**Escrowed Funds**".

In connection with the completion of the Business Combination, the Escrowed Funds were released from escrow by the Escrow Agent as follows on May 28, 2018: (a) to the Agents, an amount equal to the 50% of the Agents' commission; and (b) to MedMen Acquisition (or as directed by MedMen Acquisition), an amount equal to the Escrowed Funds, less the foregoing deductions.

In connection with the SR Offering, MedMen paid a cash fee to the Agents equal to 8.1% of the gross proceeds of the SR Offering sourced by Agents in accordance with the terms and conditions of the Agency Agreement.

United States Industry Background and Trends

The emergence of the legal cannabis sector in the United States, both for medical and adult-use, has been rapid as more states adopt regulations for its production and sale. Today 60% of Americans live in a state where cannabis is legal in some form and almost a quarter of the population lives in states where it is fully legalized for adult use.[1]

The use of cannabis and cannabis derivatives to treat or alleviate the symptoms of a wide variety of chronic conditions has been generally accepted by a majority of citizens with a growing acceptance by the medical community as well. A review of the research, published in 2015 in the Journal of the American Medical Association, found solid evidence that cannabis can treat pain and muscle spasms.[2] The pain component is particularly important, because other studies have

[1] Ripley, Eve. (2016 November 30). Nearly 60 percent of U.S. population now lives in states with marijuana legalization. Retrieved from https://news.medicalmarijuanainc.com/nearly-60-percent-u-s-population-now-lives-states-marijuana-legalization/.

[2] Grant, Igor MD (2015). Medical Use of Cannabinoids. *Journal of American Medical Association, 314: 16,* 1750-1751. doi: 10.1001/jama.2015.11429.

suggested that cannabis can replace pain patients' use of highly addictive, potentially deadly opiates — meaning marijuana legalization could literally save lives.[3]

Polls throughout the U.S. consistently show overwhelming support for the legalization of medical cannabis, together with strong majority support for the full legalization of recreational adult-use cannabis. It is estimated that 94% of the U.S. voters support legalizing cannabis for medical use.[4] In addition, 64% of the U.S. public supports legalizing cannabis for adult recreational use.[5] These represent large increases in public support over the past 40 years in favor of legal cannabis use.

Notwithstanding that 29 states have now legalized adult-use and/or medical marijuana, marijuana remains illegal under U.S. federal law with marijuana listed as a Schedule I drug under the United States Controlled Substances Act of 1970 (the "**CSA**"). See Section 4 and Section 17 below.

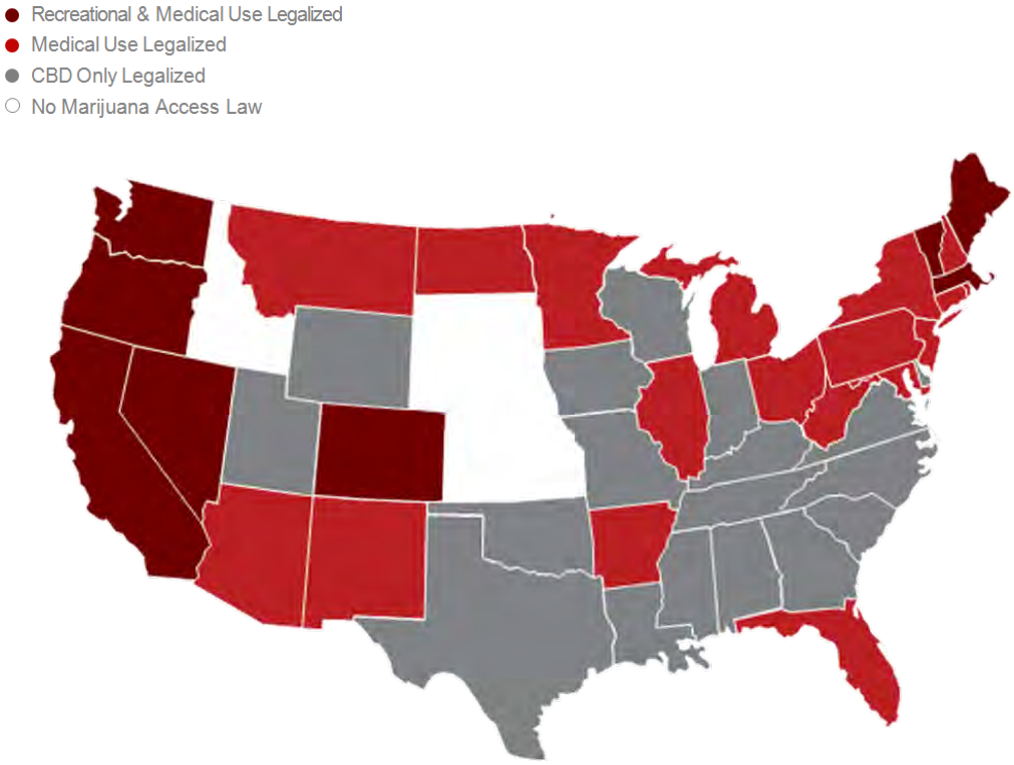
Currently the Resulting Issuer only operates in the states of California, Nevada, and New York, although it intends to expand both into other states within the U.S. that have legalized cannabis use either medicinally or recreationally, and also internationally as well.

[3] Bachhuber, MA, Saloner B, Cunningham CO, Barry CL. (2014). Medical Cannabis Laws and Opioid Analgesic Overdose Mortality in the United States, 1999-2010. *JAMA Intern Med.* 174(10):1668-1673. doi: 10.1001/jamainternmed.2014.4005.

[4] Quinnipiac University. (2017 April 20). U.S. Voter Support For Marijuana Hits New High; Quinnipiac University National Poll Finds; 76 Percent Say Their Finances Are Excellent Or Good. Retrieved from https://poll.qu.edu/national/release-detail?ReleaseID=2453.

[5] Gallup. (2017 October 25). Record-High Support for Legalizing Marijuana Use in U.S. Retrieved from http://news.gallup.com/poll/221018/record-high-support-legalizing-marijuana.aspx.

State Status of Legalization



Note: 92% of all states currently have some form of legalized cannabis, from CBD-only to full recreational legalization.

Current U.S. Cannabis Market

Subsequent to the ground swell of support for legal access to marijuana at the state level, there has been rapid opportunity growth in the U.S. market. Sales of legal cannabis flowers and cannabis-infused derivative and edible products totaled US$6.1 billion in 2017, and are expected to reach US$8.8 billion in 2018 with approximately 36% of sales for medical use and 64% for full adult use.[6] The U.S. market for direct legal cannabis sales alone is projected to grow to US$17 billion by 2021[7] and the total addressable market for direct cannabis sales in the U.S. today is estimated at US$45-50 billion if every state legalized full adult recreational consumption.[8]

The number of medical cannabis patients in states with existing comprehensive medical cannabis programs was approximately 1.5 million by the end of 2017, served by approximately 1500-2000 medical dispensaries nationwide, a disproportionate number of those in California. It's

[6] Marijuana Business Daily. (2017). *Marijuana Business Factbook, 2017*. Available from https://mjbizdaily.com/factbook/.

[7] Arcview Market Research & New Frontier Data. (2016). *The State of Legal Marijuana Markets* (4th ed.), pp. 11. Available from https://www.arcviewmarketresearch.com/4th-edition-legal-marijuana-market/.

[8] Marijuana Business Daily. (2017). *Marijuana Business Factbook, 2017*. Available from https://mjbizdaily.com/factbook/.

currently estimated that each patient spends about US$2,000 annually,[9] and that the total number of medical cannabis patients nationwide is expected to grow to 2.5 million by 2021.[10]

Table 1: MedMen Operating States Market Size

	Los Angeles	California	Nevada	New York
Target Markets:				
Potential Cannabis Market(1)	~US$1.5 billion	~US$8 billion	~US$2 billion	~US$4 billion(2)
Population > 21 (million)(3)	7	28	2	15
Tourists > 21 (million)(4)	36	180	32	173
Addressable Consumers (million)(5)	43	208	34	188

Notes:
(1) Potential cannabis market estimates based on industry research and Resulting Issuer internal estimates for prevalence and spend rates.
(2) New York market potential based on recreational and medical sales.
(3) Total population over 21. Figures based on figures reported by U.S. Census Bureau and Kaiser Family Foundation.
(4) Estimates for annual tourists per respective state tourism offices and 2016 annual reports multiplied by percent of U.S. population over 21.
(5) Addressable consumers calculated as population plus annual tourists under 21.

California

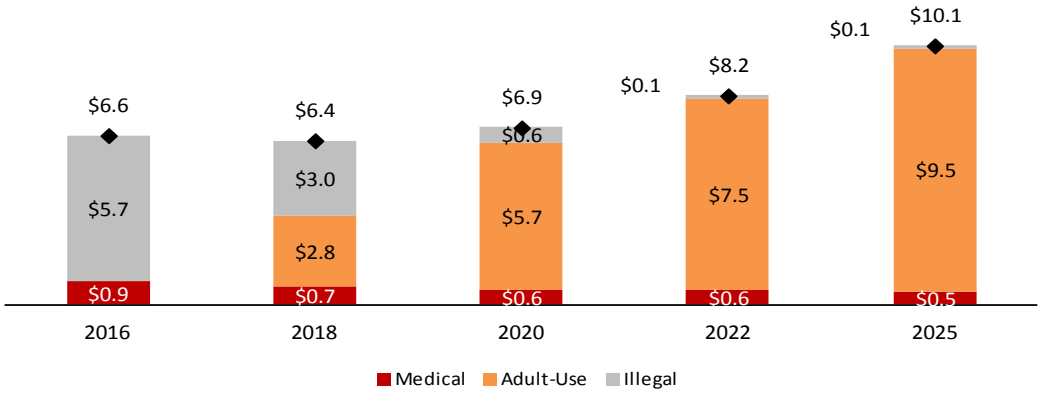
The California marijuana market is expected to be one of the fastest growing industries in California over the next five years. Market analysts forecast a stabilized market to occur after 2025 where the California marijuana market is estimated to be valued at approximately US$10 billion, see Table 2. In 2016, California recorded approximately US$850 million in medical marijuana retail sales from operated dispensaries state wide; however, it is estimated approximately 85% of total transactions are unrecorded for revenue and are carried out through illegal transactions. The University of California Agricultural Issues Center predicts the illegal market to shrink to less than 30%, legal adult-use sales to increase to approximately 62%, and legal medical sales to decrease from approximately 15% to less than 10% as patients are provided with an alternative to obtaining medical marijuana physician recommendations for a fee.[11]

[9] Marijuana Business Daily. (2017). *Marijuana Business Factbook, 2017*. Available from https://mjbizdaily.com/factbook/.

[10] New Frontier Financial. (2015). Modeling of State Patient Counts. *Cannabis Weekly*.

[11] McGreevy, Patrick. (2017 June 11). Legal marijuana could be a $5-billion boon to California's economy. Retrieved from http://www.latimes.com/politics/la-pol-ca-pot-economic-study-20170611-story.html.

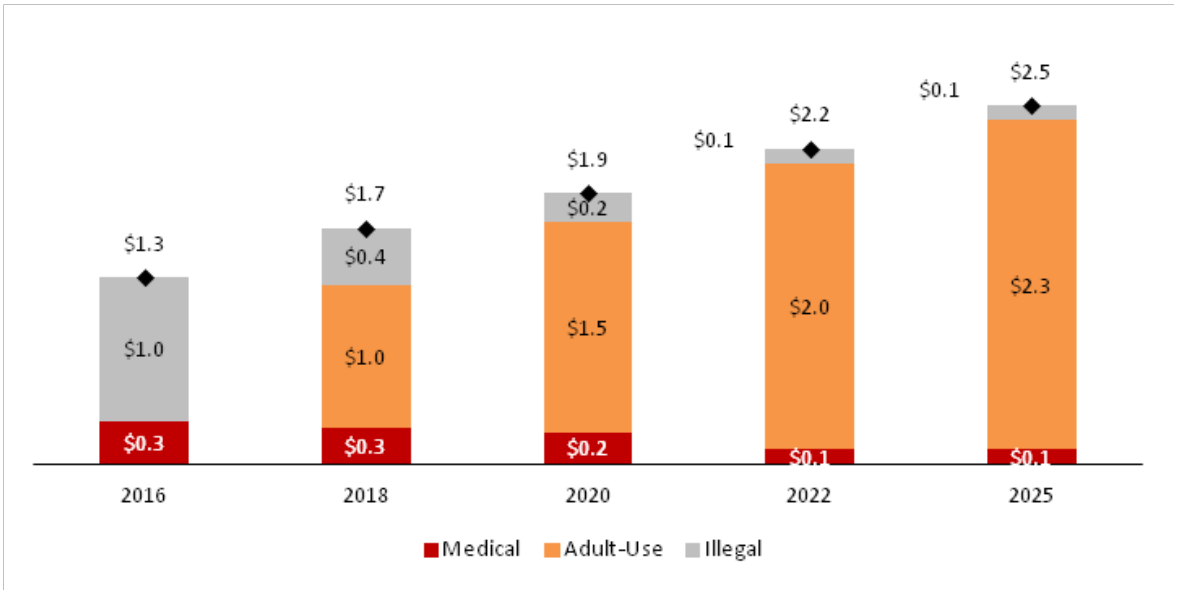
Table 2: California Marijuana Market Forecast (USD billion)[12]



The Los Angeles legal market is estimated to reach approximately US$1.7 billion by 2020, and approximately US$2.4 billion by 2025, see Table 3. The transformation of the California market is expected to be positively impacted by the closing of illegally operated dispensaries. The Resulting Issuer has estimated the potential closures of over 500 illegally operated retail outlets within Los Angeles alone. The reduction in illegally operated dispensaries will benefit consumers as the Resulting Issuer anticipates it will cause greater awareness of and impetus to source marijuana products from legally registered dispensaries, leading to the consumer benefits that such registered dispensaries, such as the Resulting Issuer's dispensaries, provide. The Resulting Issuer anticipates the closure of illegally operated dispensaries, the enactment of mandatory testing of sample products by third-party entities, and the reduction in the illegal market to benefit both consumers and legally registered dispensaries.

[12] Sources: Berke, Jeremy. (2017 December 8). The legal marijuana market is exploding – it'll hit almost $10 billion sales this year. Retrieved from http://www.businessinsider.com/legal-weed-market-to-hit-10-billion-in-sales-report-says-2017-12; Morris, Chris. (2017 December 6). Legal Marijuana Sales Are Expected to Hit $10 Billion This Year. Retrieved from http://fortune.com/2017/12/06/legal-marijuana-sales-10-billion/; The Arcview Group. (2017 December 6). NEW REPORT: Legal Marijuana Sales to Grow 33% to $10 Billion in 2017. Retrieved from https://globenewswire.com/news-release/2017/12/06/1234230/0/en/NEW-REPORT-Legal-Marijuana-Sales-to-Grow-33-to-10-Billion-in-2017.html.

Table 3: Los Angeles Marijuana Market Forecast (USD billion)[13]



The Resulting Issuer has estimated the target market for Los Angeles and the neighboring counties as individuals who are age 21 and older and patients diagnosed by a physician with one of the following medical conditions (California Medical Marijuana law, as per Ballot Proposition 215):

- Anxiety
- Arthritis
- Cancer
- Chemotherapy Side Effects
- Chronic Pain
- Fibromyalgia
- Glaucoma
- HIV-AIDS
- Migraine Headaches
- Multiple Sclerosis
- Radiation Therapy Side Effects

[13] Sources: MedMen internal analysis and Frontier Financial Group Inc. (2018). CannaBits. Retrieved from https://newfrontierdata.com/cannabits/.

- And, any other chronic or persistent medical symptom that substantially limits the ability of the person to conduct one or more major life activities (as defined by the United States Americans with Disabilities Act of 1990) or, if not alleviated, may cause serious harm to the patient's safety or physical or mental health.

Nevada

Nevada is one of the most dynamic markets anticipated for the full development of the recreational market. By certain estimates, the recreational market in Nevada is projected to have a cumulative average growth rate of 25%.[14] With most of the state population and tourism located in Las Vegas, the opportunity in Las Vegas is strengthened by the fact that Las Vegas has a limited number of licenses and the City of Las Vegas has placed a priority for current license holders to be preferred in obtaining other non-operating retail licenses. The City of Las Vegas has historically seen nearly forty million tourists in a year, making it one of the most visited cities in the United States. Industry estimates put the overall cannabis market size in Las Vegas to be over US$800 million per year.[15]

New York

New York is one of the most promising medical cannabis markets that opened in 2016. The state population numbers nearly twenty million and New York City is the most populous and visited cities in the U.S.[16] The New York program, when initially implemented, allowed for only five (5) fully vertically integrated licenses. The licenses allowed each license holder the opportunity to operate a cultivation facility, extraction and manufacturing, and four (4) retail medical marijuana dispensaries. The state program was adjusted to increase the range of qualifying conditions which, as of the date hereof, includes chronic and severe pain. In August 2017, the state of New York also increased the number of licensed operators in the state to a total of ten (10). Each of the newly added licenses can carry out the same operations as the original license holders. The state has made progress towards the ability to increase the outreach to qualified patients through the ten (10) licensed operators via the disbursement of retail locations across the state, the increase in range of qualifying conditions, and other various methods to support patient access. The Resulting Issuer's estimates put the overall market size to over US$52 million, based on similar adoption rates observed in other medical state programs.

[14] Frontier Financial Group Inc. (2017). Change in Compensation: Working in Cannabis. Retrieved from https://newfrontierdata.com/marijuana-insights/change-in-compensation-working-in-cannabis/.

[15] MedMen internal analysis and Frontier Financial Group Inc. (2018). CannaBits. Retrieved from https://newfrontierdata.com/cannabits/.

[16] United States Census Bureau. (2017). QuickFacts United States. Retrieved from https://www.census.gov/quickfacts/NY; see also NYC and Company. NYC Travel & Tourism Visitation Statistics. Retrieved from http://www.nycandcompany.org/research/nyc-statistics-page; see also World Atlas. (2017 November 9). The Most Visited Cities In The US. Retrieved from https://www.worldatlas.com/articles/the-most-visited-cities-in-the-us.html.

4. Narrative Description of the Business

GENERAL

MedMen is a United States-based, leading, fully-integrated cannabis company. MedMen is currently focused on the cultivation, production, and retail aspects of the cannabis supply chain. MedMen operates scalable, highly-efficient cultivation and production facilities using the latest agronomic technology and sustainable techniques. MedMen operates one (1) cultivation and production facility in Nevada (Mustang) and one (1) cultivation and production facility in New York, with total existing capacity of approximately 47,400 square feet. MedMen is also currently developing additional large-scale cultivation and production operations in California and New York and a genetics facility in Nevada, and expanding the cultivation area at its Mustang facility in Nevada. In addition to its cultivation and production operations, MedMen currently owns and operates nine (9) premium retail stores located in strategic locations across key cities and neighborhoods in California, Nevada and New York through its award-winning retail concept. In addition, there are three (3) retail locations in respect of which the real estate has been secured and the applicable licenses have been applied for or are contemplated to be applied for, and two (2) retail locations under contract for acquisition. MedMen views California, Nevada and New York as providing ongoing opportunities for growth due to their market depth, current supply-demand dynamics and regulatory framework, and currently holds 27 licenses within California, nine (9) licenses within Nevada and five (5) licenses within New York across the cannabis supply chain, providing the requisite authorization for the various activities of MedMen at its existing facilities and retail locations.

In addition to owning its own cannabis licenses and operations, MedMen also provides management services to third-party cannabis license-holders. MedMen currently has management contracts with four (4) dispensaries and one (1) cultivation operation in California with an existing capacity of approximately 6,100 square feet. MedMen is actively seeking additional management contracts given the high-margin nature of the management business.

MedMen is operated by an executive team that has significant experience in the cannabis industry and a robust operational and acquisition track-record as to all facets of MedMen's operations, which has effectively executed its business plan to rapidly scale its business. MedMen had 763 employees as of early April 2018 across the United States.

MedMen has 38 wholly owned (either directly or indirectly) material subsidiaries. Such subsidiaries were incorporated or otherwise organized under the laws of California, Nevada, Delaware and New York. See Section 2 above.

TOTAL AVAILABLE FUNDS

MedMen has historically relied upon equity and debt financings to satisfy its capital requirements and may require further equity and debt capital to finance its development, expansion and acquisition activities moving forward.

The working capital deficiency of Ladera as at April 30, 2018 was C$(127,718). As of the completion of the Business Combination, as a result of among of things the conversion of the 8,000,000 subscription receipts of Ladera (the "**Ladera Subscription Receipts**") outstanding prior to the Meeting and release from escrow of the related gross proceeds raised by Ladera from the non-brokered private placement of the Ladera Subscription Receipts completed by Ladera on March 7, 2018 (the "**Ladera Subscription Receipt Offering**"), Ladera had a working capital position of C$287,000. The working capital position of MedMen as at April 30, 2018 was approximately negative US$5 million (which includes the current portion of long-term debt). The

total net proceeds raised from the SR Offering were C$132,540,252. As a result, the Resulting Issuer has an estimated C$126,196,452 of funds available for use (assuming a USD:CAD exchange rate of US$1.00 = C$1.2876).

The Resulting Issuer intends to use the estimated funds available to it as set out in the following table:

Use of Available Funds	**Amount (Canadian Dollars)**
Acquisition Pipeline	$45,000,000
Commercial Real Estate	$20,000,000
Capital Expenditures	$40,000,000
Working Capital	$21,196,452
Total Available Funds:	$126,196,452

The Resulting Issuer anticipates using the above funds within a period of 12 months.

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives. The Resulting Issuer may require additional funds in order to fulfill all of its expenditure requirements to meet its business objectives and may either issue additional securities or incur debt. There can be no assurance that additional funding required by the Resulting Issuer will be available, if required.

GROWTH STRATEGY

Continued Expansion in the U.S. Market

As the legalization of cannabis throughout the United States continues to expand both recreationally and medically, management believes that the size of the U.S. cannabis market could surpass US$50 billion over the next ten (10) years. On the recreational side, there are currently seven (7) states in which the recreational sale of cannabis has been approved. These states include Oregon, Washington, Nevada, California, Colorado, Massachusetts and Maine. In these markets, recreational sales will continue to grow as cannabis retailers benefit from a shift in consumers from illegal sales to legal sales and from new cannabis consumers. MedMen plans on capitalizing on the significant increase in cannabis consumption in these recreational markets through both an expansion of its retail footprint in key markets such as California, Nevada and Massachusetts, as well an entry into other sizable recreational markets. MedMen will also seek opportunities to expand its cultivation and production operations in recreational markets through expansions of its existing facilities or through acquisitions of additional licenses or cultivation operators.

With respect to medical marijuana, as more research centers study the effects of cannabis-based products in treating or addressing therapeutic needs, and assuming that research findings demonstrate that such products are effective in doing so, management believes that the size of the U.S. medical cannabis market will also continue to grow as more states expand their medical marijuana programs and new states legalize medical marijuana. Given

MedMen's existing operations in New York, MedMen is well-versed in operating within a medical-only market and will continue to seek opportunities to expand into new medical-only markets such as Florida, Illinois and Ohio. MedMen has also historically been successful in shaping state legislation and will remain active in helping shape the transition from medical to recreational in the states in which it operates.

Management expects to remain a significant acquirer in the cannabis industry, and will actively seek both small and large acquisition and investment opportunities across the cannabis supply chain.

Entry Into International Markets

MedMen will look to leverage its branding, marketing, operational, manufacturing and educational outreach expertise and quality assurance capabilities, in seeking opportunities to gain exposure to key international markets.

MedMen has identified two general types of international opportunities: (i) opportunities to license its brand and operational know-how to third-party cannabis cultivators and retailers; and (ii) opportunities to create joint ventures with local partners for cultivation and retail operations. MedMen is actively seeking partnership and licensing agreements in multiple countries.

On March 19, 2018, MedMen announced the entry into of a cross border joint venture agreement with Cronos Group Inc. ("**Cronos**"), a Canadian licensed producer and distributor of medical cannabis listed on the TSX Venture Exchange and the Nasdaq Stock Market. The joint venture, named MedMen Canada Inc. ("**MedMen Canada**"), will develop branded products and open stores across Canada, leveraging Cronos' Canadian reach and expertise, as well as MedMen's retail expertise. The joint venture will be a 50/50 partnership between the two companies. MedMen Canada will be focused on a branded national retail chain, branded products and research and development activities and will have access to Cronos' 350,000 square feet of production facilities and future expansions while leveraging MedMen's retail brand recognition. MedMen Canada will operate in federally legal jurisdictions and in compliance with all applicable regulations.

As MedMen advances the investigation and implementation of domestic and international growth opportunities, it will continue financing the incremental development and preparation costs thereof with cash from operations and external financings.

CULTIVATION AND PRODUCTION

MedMen currently owns and operates two cultivation and two production facilities in the United States, totaling 47,400 square feet. The first facility, Project Mustang, located in northern Nevada is comprised of a 30,000 square foot cultivation facility and a 15,000 square foot production facility and sits on a total of 4.27 acres of land. The 30,000 square feet high-tech Dutch hybrid greenhouse cultivation facility allows for 22,000 square feet of canopy space. The production facility includes state-of-the-art production and extraction equipment with strict adherence to the Safe Quality Foods (SQF 2008) standard. The first batch of plants were planted in the first quarter of calendar 2018 and it is anticipated that sale of product will commence in the third quarter of calendar 2018. MedMen is currently in the planning phases for an expansion of the facility. The planned expansion for cultivation at the facility is approximated to be double the current cultivation area. Additional cultivation space is contemplated through the opportunity for expansion into the neighboring properties.

The second facility is located in Utica, New York. The facility is a temporary facility that is used by MedMen in order to service medical marijuana patients in the state through its vertically-integrated license. The temporary facility has a cultivation area of 1,600 square feet and a

production area of 800 square feet. MedMen is currently in the planning stage of developing a 45,000 square foot cultivation and production facility on the same parcel of land. The new facility is expected to be a replica of the Project Mustang facility.

In addition to the two operating facilities, MedMen is also in the construction stage of the first phase of a cultivation and production facility in Desert Hot Springs, California. The first phase comprises of a 30,000 square foot cultivation facility and a 15,000 square foot production facility. The facility sits on 10 acres of land owned by MedMen. Similar to the Project Mustang facility, the facility will utilize a high-tech Dutch hybrid greenhouse. MedMen anticipates a facility completion date of early 2019.

Each facility will be focused primarily on the commercialization of cannabis (both medical and recreational, as permitted under applicable laws), as well as the research and development of new strains of cannabis. The procedures at each facility place a heavy emphasis on customer/patient safety, with a strict quality control process.

While traditional methods, including basic greenhouses, are limited by soil conditions and climate, MedMen's facilities are unique in the industry in that all crops (with the exception of the temporary facility in New York) are grown in high-tech Dutch hybrid greenhouses, resulting in several key benefits:

- *Controlled Environment*: Conditions are completely controlled through automation of light, heat and water. With no drought, floods, wind, insects or harsh natural elements, plants are afforded uninterrupted and optimized growing cycles, resulting in maximal product yields and consistent product quality on a continuous basis.

- *Glass Exterior*: A glass exterior with blackout shades allows for maximum entry or blockage of sunlight compared to traditional greenhouses and optimal growing conditions.

- *Rapid Plant Growth*: Plants often grow faster and stronger in facilities than they do in fields or greenhouses, potentially as a result of slightly higher carbon dioxide levels.

- *Quality Control*: The stable environment facilitates MedMen's thorough application of Good Manufacturing Practices, Good Agricultural Practices, Good Production Practices and Good Laboratory Practices.

- *No Pesticides or Herbicides*: With no threat of insect, pests, or the plant diseases they can carry, there is no need for pesticides or herbicides and no residues on unpurified bulk material from MedMen's plants. This provides at least two benefits. First, facilitating regulatory compliance by eliminating the need to quantify unwanted material residue throughout the production process, also resulting in cost savings. Second, end-user/consumer perception in the markets that MedMen's customers are attracting may have a preference for material prepared without any contact with pesticides or herbicides.

Apart from the cultivation and production facilities that MedMen owns and operates, MedMen holds a management contract with a cultivation facility owner in Sun Valley, California, which facility has an existing capacity of approximately 6,100 square feet. MedMen implements its proprietary processes in this cultivation facility. MedMen enters into long-term management contracts, as further described under "*Management Services*" below. The establishment of long-term management contracts allows MedMen to manage its risk of knowledge transfer to third

party recipients of its services by reducing the ability for third parties to obtain specific operational knowledge in the short-term and end their relationship with MedMen.

DISPENSARIES

MedMen prides itself on providing a best in class, inclusive and informative environment where the customer can comfortably navigate our extensive selection with the assistance of highly trained and helpful employees. All of MedMen's marijuana products have gone through rigorous state sample testing, including complying with "seed-to-sale" tracking requirements.

MedMen operates its retail operations through a number of wholly-owned subsidiaries in California, Nevada and New York. MedMen currently owns the operations of four (4) operational dispensaries in California that serve both recreational and medical marijuana customers, one (1) operational dispensary in Nevada that serves both recreational and medical marijuana customers and four (4) operational dispensaries in New York that serve medical marijuana patients only. Additionally, MedMen has secured the real estate and applied for the licenses for two (2) dispensaries to be located in Santa Monica and Palm Desert, and has four (2) dispensaries located in Nevada under contract for acquisition. MedMen is also targeting an application for a dispensary license in Massachusetts. MedMen has already secured the real estate for one of the potential dispensaries. In addition to the dispensaries in respect of which MedMen owns the operations, MedMen also manages four (4) additional dispensaries in California through long term management contracts that serve both recreational and medical marijuana customers.

Real Estate Strategy

MedMen is focused on entering cannabis markets with outsized demand potential, significant supply constraints and high barriers to entry. Within its core markets of Los Angeles, Las Vegas and New York City, MedMen spends a significant amount of time and resources in selecting real estate in premium locations with significant foot traffic and proximity to popular attractions (restaurants, malls, sports arenas, hotels, etc.). MedMen targets retail spaces with a footprint of 2,000 to 10,000 square feet, depending on the market and available real estate. MedMen utilizes both its internal real estate team and a network of real estate brokers to negotiate leases and purchases on behalf of MedMen. MedMen typically prefers purchasing the underlying real estate for its retail operations and has been successful in securing debt financing for its real estate acquisitions. When purchasing the real estate is not possible, it attempts to secure long-term leases and purchase options.

Branding and Marketing

MedMen utilizes consistent branding and messaging across all of its dispensaries under the "MedMen" name. The award-winning dispensaries have been described by media outlets as the "Apple stores" of the cannabis industry.[17] In order to support its retail operations, MedMen has a dedicated marketing team that engages potential customers through in-store demos, social media, promotions and a loyalty program.

Banking and Processing

MedMen deposits funds from its dispensary operations into its banking partners in each respective market. The banks are fully aware of the nature of MedMen's business and continue to remain supportive of MedMen's growth plans. MedMen's dispensaries currently accept only cash

17 Turner, Gustavo. (2016 June 6). MedMen Is "Like The Apple Store", But For Weed. Retrieved from http://www.laweekly.com/slideshow/medmen-is-like-the-apple-store-but-for-weed-7001595.

and debit card and do not process credit card payments. It is anticipated that over time all forms of payment will be accepted by each of the dispensaries.

Product Selection and Offerings

Product selection decisions are currently made by MedMen's team of buyers, which negotiates and receives bids from potential brand vendors across all product categories including flower, vape pens, oils, extracts, edibles and pre-rolls. MedMen bases its product selection decisions on product quality, margin potential, consumer feedback and the ability for the respective brands to scale. MedMen also anticipates requiring brands to pay slotting fees for shelf space.

At the moment, the vast majority of MedMen's produced products are sold through Company-owned and managed dispensaries; the only exception being a small amount of wholesale flower sales. In the future, as production capacity increases, MedMen expects to sell bulk product, as well as new branded products (such as vape pens, tinctures, edibles, etc.) to other dispensaries through both Company-owned and third party distributors. The full extent of this will depend upon the ultimate extent of MedMen-owned and managed retail footprint, as well as the ultimate expanded production capacity of MedMen's cultivation and production facilities.

MedMen's retail locations in California make available a variety of MedMen and third party (resale) cannabis and cannabis products. Cannabis and cannabis products for sale include but are not limited to: cannabis dry flower, vaporizer forms of cannabis, cannabis oil in capsule, oral solution, sublingual solution, cannabis edible products and other cannabis products.

MedMen's retail location in Nevada makes available a variety of third party (resale) cannabis and cannabis products. Cannabis and cannabis products for sale include but are not limited to: cannabis dry flower, concentrated cannabis oil, vaporizer forms of cannabis, cannabis edible products and other cannabis products.

MedMen is approved in New York to produce tinctures, vape pens and capsules. MedMen produces five (5) THC:CBD ratios for each of the product types and thus offers a total of fifteen products at each of its retail locations in New York, as follows: Wellness (0:1), Harmony (1:1), Awake (20:1), Calm (50:1) and Sleep (100:1). MedMen launched its products under the flagship line, LuxLyte. The products offered are: LuxLyte Drops (tinctures), LuxLyte Gels (capsules) and LuxLyte Pens (vape pens).

MedMen has also submitted the following product types to the New York State Department of Health ("**NYSDOH**") and is in the approval process: lotion, pain spray and metered ground flower.

Product Pricing

MedMen's prices vary based on the market conditions and product pricing of vendor partners. Generally, MedMen strives to keep pricing consistent across all store locations. Cannabis and cannabis product pricing is based on operating costs, materials costs, growth time, and other applicable variables.

The state of California does not regulate pricing and licensed dispensing organizations within the state of California may set their own prices for cannabis and cannabis products. The state of Nevada also does not regulate pricing and licensed dispensing organizations within the state of Nevada may also set their own prices for cannabis and cannabis products. However, products sold at dispensaries in Nevada are subject to a 10% cannabis excise and sales tax. The state of New York does regulate pricing of all approved medical marijuana products. MedMen is

approved to sell all products for US$0.33 per mg resulting in the following prices: Vape Pens (US$99), Drops (US$49) and Gels (US$49).

Delivery and In-Store Pickup

While the existing dispensaries currently do not offer direct-to-consumer delivery services and orders for in-store pickup, these services are expected roll out in the next couple of quarters of this calendar year. MedMen plans to engage in delivery operations either through the development of its own delivery infrastructure and network or through the use of third-party services focused on the delivery and e-commerce market. An in-store pickup option is currently being developed in-house and will be accessible from MedMen's website.

Inventory Management

MedMen has comprehensive inventory management procedures, which are compliant with the rules set forth by the California Department of Consumer Affairs' Bureau of Cannabis Control ("**BCC**") and all other applicable state and local laws, regulations, ordinances, and other requirements. These procedures ensure strict control over MedMen's cannabis and cannabis product inventory from delivery by a licensed distributor to sale or delivery to a consumer, or disposal as cannabis waste. Such inventory management procedures also include measures to prevent contamination and maintain the safety and quality of the products dispensed at MedMen's retail locations. MedMen understands its responsibility to the greater community and the environment and is committed to providing consumers with a safe, consistent, and high-quality supply of cannabis.

Managed Dispensaries

MedMen uses the same proprietary, best-practices policies and procedures in both owned and managed dispensaries in order to ensure systematic operations and consistent customer experience. By design, a customer or employee should notice no distinct differences between owned and managed stores. MedMen does not perceive a risk of material adverse consequences due to any knowledge transfer in the use of its policies and procedures in its managed stores as these policies and procedures are contractually protected by the applicable management contracts and, without the support of MedMen, any policy or procedure that may be misappropriated is unlikely to have the desired outcome for the applicable dispensary due to the lack of the complete, cohesive system supporting it.

MANAGEMENT SERVICES

In addition to owning its own dispensary and cultivation and production operations, MedMen has signed long-term management contracts with third-party operators seeking MedMen's management services. Management services include the use of the "MedMen" brand, retail and cultivation and production operations support, human resources, finance and accounting, marketing, sales, legal and compliance. MedMen currently has five (5) management contracts in place. There are four (4) management contracts with dispensary owners across California and one (1) management contract with a cultivation facility owner in Sun Valley, California, which facility has an existing capacity of approximately 6,100 square feet. The four (4) managed dispensaries are located in West Hollywood, the Los Angeles Airport area, Santa Ana (Orange County) and Sun Valley (this location is in the process of being relocated to Venice Beach (Abbot Kinney), which is expected to be completed in the second quarter of calendar 2018). MedMen is actively engaged with operators across the United States for additional management services relationships.

The management services agreements are typically 30 years in length with 10 year renewals and significant penalties if an operator sells its interest in a managed licensed entity

(20% of net sale price of licensee with respect to a change of control transaction). The management agreements currently in place comprise of the following fees: (a) 1.5% of gross revenue for marketing and soft costs (applicable for retail management services agreements only), (b) US$20,000 per month shared services fee, (c) 25% of monthly EBITDA, (d) 1.5% of construction budget for construction design services, and (e) 5% of construction budget for construction management services.

RESEARCH AND DEVELOPMENT

MedMen is currently in the planning phase of a research and development division, which is anticipated to be housed in an owned and licensed facility in Nevada. Through its research and development activities, MedMen expects to create proprietary genetics and products that could be utilized by its large-scale cultivation operations in California, Nevada and New York. MedMen may also license its products, brands or know-how to third-party cultivators, producers and brands in the industry.

EMPLOYEES

As of April 4, 2018, MedMen had 763 employees. The employees are distributed among the following departments:

Department	**Number of Employees**
Retail	550
Security	24
Cultivation	22
Manufacturing & Research and Development	13
Operations	23
Finance & Accounting	15
Human Resources	18
Marketing	19
Information Technology and Analytics	25
Facilities	10
Quality Assurance/Quality Control	6
Administration	12
Compliance	10
Capital Markets and Investor Relations	12
Executive Operations	4
Total	**763**

MedMen is committed to:

- Providing equal employment opportunities to all employees and applicants: These policies extend to all aspects of MedMen's employment practices, including but not limited to, recruiting, hiring, discipline, termination, promotions, transfers, compensation, benefits, training, leaves of absence, and other terms and conditions of employment.

- Providing a work environment that is free of unlawful harassment, discrimination and retaliation: In furtherance of this commitment, MedMen strictly prohibits all forms of unlawful discrimination and harassment.

- Complying with all laws protecting qualified individuals with disabilities, as well as employees', independent contractors', vendors', unpaid interns' and volunteers' religious beliefs and observances.

MedMen is committed to all of the above without regards to race, ethnicity, religion, color, sex, gender, gender identity or expression, sexual orientation, national origin, ancestry, citizenship status, uniform service member and veteran status, marital status, pregnancy, age, protected medical condition, genetic information, disability, or any other protected status in accordance with all applicable federal, state, provincial and local laws.

MedMen's employees are highly-talented individuals who have educational achievements ranging from Ph.D, Masters, and undergraduate degrees in a wide range of disciplines, as well as staff who have been trained on the job to uphold the highest standards as set by MedMen. It is a requirement that all of MedMen's employees pass background checks and drug screening. MedMen recruits, hires and promotes individuals that are best qualified for each position, priding itself on using a selection process that recruits people who are trainable, cooperative and share its core values as a company. As a result, MedMen and its predecessor businesses have experienced low annualized turnover rates in the past. For 2017, the annualized turnover rate for the businesses that then existed and now form a part of MedMen was 29%, which is relatively low in view of the rapid growth and change such businesses have experienced.

In addition, the safety of MedMen's employees is a priority and MedMen is committed to the prevention of illness and injury through the provision and maintenance of a healthy workplace. MedMen takes all reasonable steps to ensure staff are appropriately informed and trained to ensure the safety of themselves as well as others around them. In 2017, the businesses that then existed and now form a part of MedMen only had two workplace injuries, both of which were low severity.

COMPETITION

With respect to retail operations, MedMen expects to compete with other retail license holders across California, Nevada and New York. Many of MedMen's competitors in the markets in which MedMen operates in are small local operators. In certain markets such as Los Angeles, there are also a number of illegally operating dispensaries, which serve as competition. However, it is expected that the majority of these dispensaries will be forced to cease operations in the next twelve months. In addition to physical dispensaries, MedMen also expects to compete with third-party delivery services, which provide direct-to-consumer delivery services in California.

In terms of cultivation and production, MedMen expects to compete with other licensed cultivators and operators in the states in which it operates. Similar to retail, there are a number of illegally operating cultivators in California which will serve as competition in the near-term. However, it is expected that the majority of these cultivators will cease operations over the next twelve months.

INTELLECTUAL PROPERTY

MedMen has developed numerous proprietary technologies and processes. These proprietary technologies and processes include its seed-to-sale software, cultivation and extraction techniques, and cultivation equipment and irrigation systems. While actively exploring the patentability of these techniques and processes, MedMen relies on non-disclosure/confidentiality arrangements and trade secret protection.

MedMen has invested significant resources towards developing a recognizable and unique brand consistent with premium, high-end retailers in analogous industries. To date, MedMen has 11 registered federal trademarks with the United States Patent and Trademark

Office and has a number of applications pending with the Canadian Intellectual Property Office as well as the states of Nevada, California, and New York. All registered trademarks are further described below.

In addition to its trademarks, MedMen owns over 150 website domains, including www.medmen.com, numerous social media accounts across all major platforms and various phone and web application platforms.

MedMen's in-house and outside legal counsel vigorously monitor and swiftly respond to potential intellectual property infringement. Additionally, MedMen maintains strict standards and operating procedures regarding its intellectual property, including the regular use of nondisclosure, confidentiality, and intellectual property assignment agreements.

Trademarks

As of the date hereof, MedMen has registered the following 11 federal trademarks in the United States, including the "MedMen" name itself, related logos, and design marks distinctive to MedMen's brand:

- "MEDMEN" was registered under registration number 4916626 on March 15, 2016 and registration numbers 5301055, 5301056, 5301058, and 5301059 on October 3, 2017. This mark was registered for use in association with providing a range of services including "arranging of seminars; conducting workshops and seminars in the fields of business management, entrepreneurship, and investing", "private equity fund investment services; management of private equity funds; providing venture capital, development capital, private equity and investment funding", "business advice and information; business consultation; business consultation services" and for use in association with the following products: "hoodies; jackets; shirts; sweatshirts; long-sleeved shirts; t-shirts" and "plastic water bottles sold empty".

- "MYMEDMEN" was registered under registration number 5301054 on October 3, 2017 for use in association with "computer software that provides real-time, integrated business management intelligence by combining information from various databases and presenting it in an easy-to-understand user interface".

- The stylized red text logo for "MedMen", produced here, was registered under registration number 4788802 on August 11, 2015 for use in association with "business consultancy; business consultation services".

- The stylized red "M", produced here, was registered under registration number 4825297 on October 5, 2015 for use in association with "business consultancy; business consultation; business consultation services".

- The stylized geometric marijuana leaf, produced here, was registered under registration numbers 5333804 and 5333805 on November 14, 2017 and registration number 5421419 on March 13, 2018. This design mark was registered for use in association with products, namely "hoodies; long-sleeved shirts; shirts; sweat shirts; t-shirts" and for use in association with services including "private equity fund investment services; management of private equity funds; providing venture capital, development capital, private equity and investment

funding" and "business management consultancy services not including services related to supply chain and inventory management".

All federal registered trademarks in the United States described above are subject to renewal ten (10) years from the date of registration.

UNITED STATES REGULATORY ENVIRONMENT

Federal Regulatory Environment

Under U.S. federal law, marijuana is currently a Schedule I drug. The CSA has five different tiers or schedules. A Schedule I drug means the Drug Enforcement Agency considers it to have a high potential for abuse, no accepted medical treatment, and lack of accepted safety for the use of it even under medical supervision. Other Schedule I drugs are heroin, LSD and ecstasy. MedMen believes the CSA categorization as a Schedule I drug is not reflective of the medicinal properties of marijuana or the public perception thereof, and numerous studies show cannabis is not able to be abused in the same way as other Schedule I drugs, has medicinal properties, and can be safely administered. Additionally, while studies show cannabis is less harmful than alcohol,[18] alcohol is not classified under the CSA.

Given that 29 states have now legalized adult-use and/or medical marijuana, the federal government sought to provide guidance to enforcement agencies and banking institutions with the introduction of the United States Department of Justice Memorandum drafted by former Deputy Attorney General James Michael Cole in 2013 (the "**Cole Memo**")19 and the Department of the Treasury Financial Crimes Enforcement Network ("**FinCEN**") guidance in 2014.20

The Cole Memo offered guidance to federal enforcement agencies as to how to prioritize civil enforcement, criminal investigations and prosecutions regarding marijuana in all states. The memo put forth eight prosecution priorities:

1. Preventing the distribution of marijuana to minors;

[18] See Lachenmeier, DW & Rehm, J. (2015). Comparative risk assessment of alcohol, tobacco, cannabis and other illicit drugs using the margin of exposure approach. *Scientific Reports, 5,* 8126. doi: 10.1038/srep08126; Thomas, G & Davis, C. (2009). Cannabis, Tobacco and Alcohol Use in Canada: Comparing risks of harm and costs to society. *Visions Journal*, 5. Retrieved from http://www.heretohelp.bc.ca/sites/default/files/visions_cannabis.pdf; Jacobus et al. (2009). White matter integrity in adolescents with histories of marijuana use and binge drinking. *Neurotoxicology and Teratology, 31, 349-355.* https://doi.org/10.1016/j.ntt.2009.07.006; Could smoking pot cut risk of head, neck cancer? (2009 August 25). Retrieved from https://www.reuters.com/article/us-smoking-pot/could-smoking-pot-cut-risk-of-head-neck-cancer-idUSTRE57O5DC20090825; Watson, SJ, Benson JA Jr. & Joy, JE. (2000). Marijuana and medicine: assessing the science base: a summary of the 1999 Institute of Medicine report. *Arch Gen Psychiatry Review, 57, 547-552.* Retrieved from https://www.ncbi.nlm.nih.gov/pubmed/10839332; Hoaken, Peter N.S. & Stewart, Sherry H. (2003). Drugs of abuse and the elicitation of human aggressive behavior. *Addictive Behaviours, 28, 1533-1554.* Retrieved from http://www.ukcia.org/research/AgressiveBehavior.pdf; and Fals-Steward, W.,Golden, J. & Schumacher, JA. (2003). Intimate partner violence and substance use: a longitudinal day-to-day examination. *Addictive Behaviors, 28, 1555-1574*. Retrieved from https://www.ncbi.nlm.nih.gov/pubmed/14656545.

[19] U.S. Dept. of Justice. (2013). *Memorandum for all United States Attorneys re: Guidance Regarding Marijuana Enforcement.* Washington, DC: US Government Printing Office. Retrieved from https://www.justice.gov/iso/opa/resources/3052013829132756857467.pdf.

[20] Department of the Treasury Financial Crimes Enforcement Network. (2014). *Guidance re: BSA Expectations Regarding Marijuana-Related Businesses* (FIN-2014-G001). Retrieved from https://www.fincen.gov/resources/statutes-regulations/guidance/bsa-expectations-regarding-marijuana-related-businesses.

2. Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;

3. Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;

4. Preventing the state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;

5. Preventing the violence and the use of firearms in the cultivation and distribution of marijuana;

6. Preventing the drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;

7. Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and

8. Preventing marijuana possession or use on federal property.

In January 2018, United States Attorney General, Jeff Sessions, rescinded the Cole Memo and thereby created a vacuum of guidance for enforcement agencies and the Department of Justice. As an industry best practice, despite the recent rescission of the Cole Memo, MedMen continues to do the following to ensure compliance with the guidance provided by the Cole Memo:

- Ensure the operations of its subsidiaries (or third parties, in the jurisdictions where MedMen conducts its business as an ancillary services provider) are compliant with all licensing requirements that are set forth with regards to cannabis operation by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions. To this end, MedMen retains appropriately experienced legal counsel to conduct the necessary due diligence to ensure compliance of such operations with all applicable regulations;

- The activities relating to cannabis business adhere to the scope of the licensing obtained – for example, in the states where only medical cannabis is permitted, the products are only sold to patients who hold the necessary documentation to permit the possession of the cannabis; and in the states where cannabis is permitted for adult recreational use, the products are only sold to individuals who meet the requisite age requirements;

- In working with licensed operators, such as cultivators and manufacturers in states where programs allow for the wholesaling of products, MedMen conducts due diligence on the policies and procedures to ensure that the products are not distributed to minors. Additionally, MedMen employs professional consultants to investigate any past license violations and ensure that the business has not been involved in these types of violations;

- MedMen only works through licensed operators, which must pass a range of requirements, adhere to strict business practice standards and be subjected to strict regulatory oversight whereby sufficient checks and balances to ensure that no revenue is distributed to criminal enterprises, gangs and cartels. Furthermore, as a part of its due diligence, MedMen retains professional consultants to vet the

ownership of such cannabis businesses to ensure that no profits or revenues are used for the benefit of criminal enterprises;

- As a part of its compliance audit, MedMen also ensures that the licensed operators have an adequate inventory tracking system and necessary procedures in place to ensure that such compliance system is effective in tracking inventory. This is done to ensure that there is no diversion of cannabis or cannabis products into the states where cannabis is not permitted by state law, or cross the state lines in general;

- MedMen conducts the necessary review of financial records and where appropriate retains professional third-party consultants to do so, to ensure that the state-authorized cannabis business activity is not used as a cover or pre-text for trafficking of other illegal drugs, is engaged in other illegal activity or any activities that are contrary to any applicable anti-money laundering statutes;

- MedMen conducts background checks to ensure that the principals and management of the licensed operators are of good character, and have not been involved with other illegal drugs, engaged in illegal activity or activities involving violence, or use of firearms in cultivation, manufacturing or distribution of cannabis;

- MedMen conducts reviews of activities of the cannabis businesses, the premises on which they operate and the policies and procedures that are related to possession of cannabis or cannabis products outside of licensed premises (including the cases where such possession permitted by regulation – e.g. transfer of products between licensed premises). These activities are done to ensure that no licensed operators possess or use cannabis on federal property or engage in manufacturing or cultivation of cannabis on federal lands; and

- MedMen conducts reviews of products and product packaging to ensure that the products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

Due to the CSA categorization of marijuana as a Schedule I drug, U.S. federal law makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the United States Currency and Foreign Transactions Reporting Act of 1970 (the "**Bank Secrecy Act**"). Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy.

While there has been no change in U.S. federal banking laws to account for the trend towards legalizing medical and recreational marijuana by U.S. states, FinCEN has issued guidance advising prosecutors of money laundering and other financial crimes not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses, so long as that business is legal in their state and none of the federal enforcement priorities are being violated (such as keeping marijuana away from children and out of the hands of organized crime). The FinCEN guidance also clarifies how financial institutions can provide services to marijuana-related businesses consistent with their Bank Secrecy Act obligations, including thorough customer due diligence, but makes it clear that they are doing so at their own risk. The customer due diligence steps include:

1. verifying with the appropriate state authorities whether the business is duly licensed and registered;

2. reviewing the license application (and related documentation) submitted by the business for obtaining a state license to operate its marijuana-related business;

3. requesting from state licensing and enforcement authorities available information about the business and related parties;

4. developing an understanding of the normal and expected activity for the business, including the types of products to be sold and the type of customers to be served (e.g., medical versus recreational customers);

5. ongoing monitoring of publicly available sources for adverse information about the business and related parties;

6. ongoing monitoring for suspicious activity, including for any of the red flags described in this guidance; and

7. refreshing information obtained as part of customer due diligence on a periodic basis and commensurate with the risk. With respect to information regarding state licensure obtained in connection with such customer due diligence, a financial institution may reasonably rely on the accuracy of information provided by state licensing authorities, where states make such information available.

Due to the fear by financial institutions of being implicated in or prosecuted for money laundering, marijuana businesses are often forced into becoming “cash-only” businesses. As banks and other financial institutions in the U.S. are generally unwilling to risk a potential violation of federal law without guaranteed immunity from prosecution, most refuse to provide any kind of services to marijuana businesses. Despite the attempt by FinCEN to legitimize marijuana banking, in practice its guidance has not made banks much more willing to provide services to marijuana businesses. This is because, as described above, the current law does not guarantee banks immunity from prosecution, and it also requires banks and other financial institutions to undertake time-consuming and costly due diligence on each marijuana business they take on as a customer. Recently, some banks that have been servicing marijuana businesses have been closing accounts operated by marijuana businesses and are now refusing to open accounts for new marijuana businesses for the reasons enumerated above.

The few credit unions who have agreed to work with marijuana businesses are limiting those accounts to no more than 5% of their total deposits to avoid creating a liquidity risk. Since the federal government could change the banking laws as it relates to marijuana businesses at any time and without notice, these credit unions must keep sufficient cash on hand to be able to return the full value of all deposits from marijuana businesses in a single day, while also servicing the need of their other customers.

The U.S. Treasury Department, headed by Stephen Mnuchin, has publicly stated they were not informed of the Attorney General Jeff Sessions’ desire to rescind the Cole Memo and do not have a desire to rescind the FinCEN guidance for financial institutions.[21] Multiple legislators

[21] Angell, Tom. (2018 February 6). Trump Treasury Secretary Wants Marijuana Money In Banks. Retrieved from https://www.forbes.com/sites/tomangell/2018/02/06/trump-treasury-secretary-wants-marijuana-money-in-banks/#2848046a3a53; see also Mnuchin: Treasury is reviewing cannabis policies. (2018 February 7). Retrieved from http://www.scotsmanguide.com/News/2018/02/Mnuchin--Treasury-is-reviewing-cannabis-policies/.

believe that Sessions' rescinding of the Cole Memo invites an opportunity for Congress to pass more definitive protections for marijuana businesses in states with legal marijuana programs during this Congress.[22]

Both Congress and marijuana-related businesses recognize that guidance is not law and thus have worked to continually renew the Rohrabacher Blumenauer Appropriations Amendment (originally the Rohrabacher Farr Amendment) since 2014. This amendment prevents the Department of Justice from using congressional funds to prosecute cannabis businesses in states that have medical marijuana laws and programs. In 2017, Senator Patrick Leahy (D-Vermont) introduced a similar amendment to to H.R.1625 – a vehicle for the Consolidated Appropriations Act of 2018), preventing federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level, subject to Congress restoring such funding ("**Leahy Amendment**"). The Leahy Amendment will expire with the 2018 Fiscal Year on September 30, 2018. At such time, it may or may not be included in the 2019 Fiscal Year omnibus appropriations package or a continuing budget resolution, and its inclusion or non-inclusion, as applicable, is subject to political changes.

For fiscal year 2019, the strategy amongst the Congressional Marijuana Working Group, is to introduce numerous marijuana-related appropriations amendments in the Appropriations Committee in both the House and Senate, similar to the strategy employed in fiscal year 2018.[23] The amendments will include protections for marijuana-related businesses in states with medical and adult use marijuana laws, as well as protections for financial institutions that provide banking services to state-legal marijuana businesses.[24] However it should be noted that there is no assurance that such amendments will be passed into law.

Since 2014, Congress has made immense strides in marijuana policy. The bipartisan Congressional Cannabis Caucus launched in 2017 and is headed by Representatives Dana Rohrabacher (CA-48), Earl Blumenauer (OR-03), Don Young (AK-At Large), and Jared Polis (CO-02). The group is "dedicated to developing policy reforms that bridge the gap between federal laws banning marijuana and the laws in an ever-growing number of states that have

[22] Jackson, Cherese. (2018 January 30). State-by-State Analysis of Sessions Move to Rescind Cole Memo. Retrieved from http://guardianlv.com/2018/01/state-state-analysis-sessions-move-rescind-cole-memo/; see also Velasquez, Josefa. (2018 January 23). NY Lawmarker Asks US Attorneys to Keep Hands Off State's Med Marijuana Programs. Retrieved from https://www.law.com/newyorklawjournal/sites/newyorklawjournal/2018/01/22/ny-lawmaker-asks-us-attorneys-to-keep-hands-off-states-med-marijuana-programs/?slreturn=20180205182803; see also "This is Outrageous": Politicians react to news that A.G. Sessions is rescinding Cole Memo. (January 4 2018). Retrieved from https://www.thecannabist.co/2018/01/04/sessions-marijuana-cole-memo-politicians/95890/.

[23] Congress of the United States. (2018 January 12). Letter to The Honorable Paul Ryan, The Honorable Nancy Pelosi, Chairman Rodney P. Frelinghuysen and Ranking Member Nita Lowey. Retrieved from https://polis.house.gov/uploadedfiles/marijuana_appropriations_mcclintock-polis_language_1-12-18.pdf.

[24] Congress of the United States. (2018 January 17). Letter to Director Kenneth Blanco of the Financial Crimes Enforcement Network of the Department of the Treasury. Retrieved from https://dennyheck.house.gov/sites/dennyheck.house.gov/files/FINCEN%20MJ%20Guidance%20Letter%20FINAL.pdf ; see also United States Senate. (2018 January 11). Letter to Director Kenneth Blanco of the Financial Crimes Enforcement Network of the Department of the Treasury. Retrieved from https://www.documentcloud.org/documents/4347431-368944892-Letter-Urging-FinCEN-to-Maintain.html#document/p1; see also United States Senate. (2018 January 18). Letter to Director Kenneth Blanco of the Financial Crimes Enforcement Network of the Department of the Treasury. Retrieved from https://www.documentcloud.org/documents/4356160-18-01-18-FinCEN-LTR-Cannabis-Banking.html; see also Congress of the United States. (2018 January 25). Letter to The Honorable Donald Trump. Retrieved from https://www.warren.senate.gov/files/documents/2018_01_25%20Letter%20to%20Trump%20on%20Sessions%20withdrawal%20of%20the%20Cole%20memo.pdf.

legalized it for medical or recreational purposes"[25] Additionally, each year more Representatives and Senators sign on and co-sponsor marijuana legalization bills including the CARERS Act, REFER Act and others. While there are different perspectives on the most effective route to end federal marijuana prohibition, Congressman Blumenauer and Senator Wyden introduced the three-bill package, Path to Marijuana Reform which would fix the 280E provision, eliminate civil asset forfeiture and federal criminal penalties for businesses complying with state law, reduce barriers to banking, and would de-schedule, tax and regulate marijuana in 2017.[26] Senator Booker has also introduced the Marijuana Justice Act, which would deschedule marijuana, and in 2018 Congresswoman Barbara Lee introduced the House companion.

Notwithstanding the foregoing, there is no guarantee that the current presidential administration will not change the stated policy of the previous administration regarding the low-priority enforcement of U.S. federal laws that conflict with state laws. The Trump administration and the Congress could decide to enforce U.S. federal laws vigorously.

An additional challenge to marijuana-related businesses is that the provisions of the Code, Section 280E, are being applied by the IRS to businesses operating in the medical and adult use marijuana industry. Section 280E of the Code prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than similar companies in other industries. The effective tax rate on a marijuana business depends on how large its ratio of non-deductible expenses is to its total revenues. Therefore, businesses in the legal cannabis industry may be less profitable than they would otherwise be.

The following sections describe the legal and regulatory landscape in the states in which MedMen operates. While MedMen's operations are in full compliance with all applicable state laws, regulations and licensing requirements, for the reasons described above and the risks further described in Section 17 below, there are significant risks associated with the business of MedMen. Readers are strongly encouraged to carefully read all of the risk factors contained in Section 17 below.

California

California Regulatory Landscape

In 1996, California was the first state to legalize medical marijuana through Proposition 215, the Compassionate Use Act of 1996 ("**CUA**"). This legalized the use, possession and cultivation of medical marijuana by patients with a physician recommendation for treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

In 2003, Senate Bill 420 was signed into law establishing an optional identification card system for medical marijuana patients.

In September 2015, the California legislature passed three bills collectively known as the "Medical Cannabis Regulation and Safety Act" ("**MCRSA**"). The MCRSA established a licensing and regulatory framework for medical marijuana businesses in California. The system created

[25] Huddleston, Tom Jr. (2017 February 17). Pro-Pot Lawmakers Launch a Congressional Cannabis Caucus. Retrieved from http://fortune.com/2017/02/16/congress-cannabis-caucus/.

[26] Wyden, Blumenauer. (2017 March 30). Wyden, Blumenauer announce bipartisan path to marijuana reform. Retrieved from https://blumenauer.house.gov/media-center/press-releases/wyden-blumenauer-announce-bipartisan-path-marijuana-reform.

multiple license types for dispensaries, infused products manufacturers, cultivation facilities, testing laboratories, transportation companies, and distributors. Edible infused product manufacturers would require either volatile solvent or non-volatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies would oversee different aspects of the program and businesses would require a state license and local approval to operate. However in November 2016, voters in California overwhelmingly passed Proposition 64, the "Adult Use of Marijuana Act" ("**AUMA**") creating an adult-use marijuana program for adult-use 21 years of age or older. AUMA had some conflicting provisions with MCRSA, so in June 2017, the California State Legislature passed Senate Bill No. 94, known as Medicinal and Adult-Use Cannabis Regulation and Safety Act ("**MAUCRSA**"), which amalgamates MCRSA and AUMA to provide a set of regulations to govern medical and adult-use licensing regime for cannabis businesses in the State of California. The four agencies that regulate marijuana at the state level are BCC, California Department of Food and Agriculture, California Department of Public Health, and California Department of Tax and Fee Administration.

In order to legally operate a medical or adult-use cannabis business in California, the operator must have both a local and state license. This requires licenseholders to operate in cities with marijuana licensing programs. Therefore, cities in California are allowed to determine the number of licenses they will issue to marijuana operators, or can choose to outright ban marijuana.

MAUCRSA went into effect on January 1, 2018. MedMen began receiving its marijuana medical and adult-use licenses at the beginning of 2018 and was one of the first businesses to begin selling adult-use marijuana products. MedMen was also the first business to receive approval to dispense adult-use marijuana in the City of Los Angeles on January 20, 2018. MedMen currently controls three (the maximum allowed) of the 135 permitted dispensaries in the City of Los Angeles. MedMen only operates in Californian cities with clearly defined marijuana programs.

Licenses

MedMen and its subsidiaries are licensed to operate as Medical and Adult-Use Retailers, Cultivators and Distributors under applicable California and local jurisdictional law. MedMen's licenses permit it to possess, cultivate, process, dispense and sell medical and adult-use cannabis in the State of California pursuant to the terms of the various licenses issued by the BCC under the provision of the MAUCRSA and California Assembly Bill No. 133. MedMen obtained the rights to the entities that were ultimately licensed pursuant to several acquisitions in the form of stock and/or asset purchase agreements.

The licenses are independently issued for each approved activity for use at the MedMen facilities in California. Please see Table 4 below for a list of the licenses issued to MedMen in respect of its operations in California.

Table 4: California Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Advanced Patients' Collective	A10-18-0000167-TEMP	Los Angeles	7/30/18	State Temp Adult Use Retail License
	M10-18-0000212-TEMP		8/17/18	State Temp Medicinal Retail License

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
	M11-18-0000182-TEMP		6/6/18	State Temp Medicinal Distributor License
	A11-18-0000139-TEMP		6/8/18	State Temp Adult Use Distributor License
	TAL18-0001185		6/26/18	State Temp Adult Use Cultivation License
	TML18-0001176		6/20/18	State Temp Medicinal Cultivation License
	0002086145-0001-8. Fund Class J010		7/16/18	City of Los Angeles – Medical Retail
	0002086145-0001-8. Fund Class J020		7/16/18	City of Los Angeles – Adult Use Retail
	0002086145-0001-8. Fund Class J062		7/16/18	City of Los Angeles – Medical Cultivation Speciality Indoor
	0002086145-0001-8. Fund Class J072		7/16/18	City of Los Angeles – Adult Use Cultivation Speciality Indoor
	0002086145-0001-8. Fund Class J080		7/16/18	City of Los Angeles – Medical Distributor
	0002086145-0001-8. Fund Class J090		7/16/18	City of Los Angeles – Adult Use Distributor
The Compassion Network	M10-18-0000213-TEMP		8/17/18	State Temp Medicinal Retail License
	A10-18-0000165-TEMP		8/17/18	State Temp Adult Use Retail License
	0002181643-0001-9 Fund Class J010		7/16/18	City of Los Angeles – Medical Retail
	0002181643-0001-9 Fund Class J020		7/16/18	City of Los Angeles – Adult Use Retail
Cyon Corporation, Inc.	M10-18-0000210-TEMP		8/17/18	State Temp Medicinal Retail License
	A10-18-0000164-		8/17/18	State Temp Adult

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
	TEMP			Use Retail License
	0002053218-0001-8. Fund Class J010		7/16/18	City of Los Angeles – Medical Retail
	0002053218-0001-8. Fund Class J020		7/16/18	City of Los Angeles – Adult Use Retail
San Diego Health & Wellness[27]	CUP 1291580	San Diego	6/25/20	City of San Diego – Recorded Conditional Use Permit for Retail
MMOF San Diego Retail, Inc.	A10-17-0000038-TEMP		7/30/18	State Temp Adult Use Retail License
	M10-17-0000064-TEMP		7/30/18	State Temp Medicinal Retail License
	N/A (Form DS-191)		2/22/19	Medical Marijuana Consumer Cooperative Permit
Desert Hot Springs Green Horizon, Inc.	CUP 14-16	Desert Hot Springs	9/25/19	Conditional Use Permit for Cultivation
	CUP 14-16		9/25/19	Conditional Use Permit for Production
	CUP 14-16		9/25/19	Conditional Use Permit for Distribution

California state and local licenses are renewed annually. Each year, licensees are required to submit a renewal application per guidelines published by BCC. While renewals are annual, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, MedMen would expect to receive the applicable renewed license in the ordinary course of business. While MedMen's compliance controls have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that MedMen's licenses will be renewed in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations of MedMen and have a material adverse effect on MedMen's business, financial condition, results of operations or prospects.

[27] As a conditional use permit for retail, this permit is attached to the real estate, which is in turn owned by MMOF RE SD, LLC, a subsidiary of MedMen.

MedMen has submitted applications in California for the following additional licenses:

- Santa Monica – Retail (Medical)
- Palm Desert – Retail (Medical & Recreational)

License and Regulations

The Adult-Use Retailer licenses permit the sale of cannabis and cannabis products to any individual age 21 years of age or older who do not possess a physician's recommendation. Under the terms of such licenses that it holds, MedMen is permitted to sell adult-use cannabis and cannabis products to any domestic and international qualified customer, provided that the customer presents a valid government-issued photo identification. MedMen maintains an open and collaborative relationship with the BCC and city level cannabis regulators.

The Medicinal Retailer licenses permit the sale of medicinal cannabis and cannabis products for use pursuant to the CUA, found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation. Only certified physicians may provide medicinal marijuana recommendations. MedMen maintains an open and collaborative relationship with the BCC and city level cannabis regulators.

The Adult-Use and Medicinal Cultivation licenses, which have been granted to MedMen permit cannabis cultivation activity which means any activity involving the planting, growing, harvesting, drying, curing, grading or trimming of cannabis. Such licenses further permit the production of a limited number of non-manufactured cannabis products and the sales of cannabis to certain licensed entities within the state of California for resale or manufacturing purposes.

The Adult-Use and Medicinal Distribution licenses permit cannabis related distribution activity which means the procurement, sale, and transportation of cannabis and cannabis products between licensed entities. Distribution activity is permissible to and from certain MedMen and non-MedMen licensees.

In the state of California, only cannabis that is grown in the state can be sold in the state. Although California is not a vertically integrated system, MedMen is vertically integrated and has the capabilities to cultivate, harvest, process and sell/dispense/deliver cannabis and cannabis products. The state also allows MedMen to make wholesale purchase of cannabis from, or a distribution of cannabis and cannabis product to, another licensed entity within the state.

Reporting Requirements

The state of California has selected Franwell Inc.'s METRC solution ("**METRC**") as the state's track-and-trace ("**T&T**") system used to track commercial cannabis activity and movement across the distribution chain ("**seed-to-sale**"). The METRC system is in the process of being implemented state-wide but has not been released. When operational, the system will allow for other third-party system integration via application programming interface ("**API**"). MedMen currently utilizes an electronic T&T system independent of METRC that will integrate with METRC via API. T&T currently captures required data points for cultivation, distribution and retail as stipulated in BCC regulations. Certain processes remain manual, with proper control and oversight, in anticipation of METRC and greater integration of processes.

Storage and Security

To ensure the safety and security of cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products, MedMen is required to do the following:

1) maintain a fully operational security alarm system;

2) contract for security guard services;

3) maintain a video surveillance system that records continuously 24 hours a day;

4) ensure that the facility's outdoor premises have sufficient lighting;

5) not dispense from its premises outside of permissible hours of operation;

6) store cannabis and cannabis product only in areas per the premises diagram submitted to the state of California during the licensing process;

7) store all cannabis and cannabis products in a secured, locked room or a vault;

8) report to local law enforcement within 24 hours after being notified or becoming aware of the theft, diversion, or loss of cannabis; and

9) to ensure the safe transport of cannabis and cannabis products between licensed facilities, maintain a delivery manifest in any vehicle transporting cannabis and cannabis products. Only vehicles registered with the BCC, that meet BCC distribution requirements, are to be used to transport cannabis and cannabis products.

Nevada

Nevada Regulatory Landscape

Medical marijuana use was legalized in Nevada by a ballot initiative in 2000. In November 2016, voters in Nevada passed an adult use marijuana measure to allow for the sale of recreational marijuana in the state. The first dispensaries to sell adult use marijuana began sales in July 2017. The Nevada Department of Taxation ("**DOT**") is the regulatory agency overseeing the medical and adult use cannabis programs. Similar to California, cities and counties in Nevada are allowed to determine the number of local marijuana licenses they will issue.

MedMen only operates in Nevada cities or counties with clearly defined marijuana programs. Currently MedMen is located in the City of Las Vegas, Clark County and Washoe County jurisdictions.

Licenses

MedMen is licensed to operate in the state of Nevada as a Medical Cultivator, a Medical Product Manufacturer and a Retail Dispensary. Please see Table 5 below for a list of the licenses issued to MedMen in respect of its operations in Nevada. Under applicable laws, the licenses permit MedMen to cultivate, manufacture, process, package, sell, and purchase marijuana pursuant to the terms of the licenses, which are issued by the DOT under the provisions of Nevada Revised Statutes section 453A. In 2015, a MedMen subsidiary applied for and received six (6) provisional licenses as a part of the state medical marijuana program. Those received were five (5) for cultivation and one (1) for manufacturing. All six (6) provisional licenses are, as of the date hereof, active with the State of Nevada. From 2017 to present, MedMen has obtained via an asset purchase agreement the rights to the licenses and registration certificate, in respect of a dispensary, described in the table below for MMOF Vegas Retail, Inc. and received state and local approvals to effectuate the transfers of ownership. All licenses are independently issued for each approved activity for use at the MedMen facilities and retail location in Nevada.

Table 5: Nevada Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
MMOF Vegas Retail, Inc.	2000169.MMR.301	Clark County	3/31/18	Clark County Temporary Business License – Marijuana Master License Medical Dispensary and Marijuana Master License Retail Store
	Certificate: 34652970986411553293 ME Code: D078		4/18/18	State of NV Final Registration Certificate – Medical Marijuana Dispensary Establishment
	Retail Marijuana Store License, Taxpayer ID: 1037525396-001		4/18	State of NV – Adult-Use Retail License
MMNV2 Holdings I, LLC	Certificate: 17870088520850390544 Code: C025	Unincorporated Washoe County	N/A	State of NV Provisional Registration Certificate – Cultivation
	Certificate: 82939896969813716323 Code: P016			State of NV Provisional Registration Certificate – Production
MMNV2 Holdings II, LLC	Certificate: 82939896969813716323 Code: C021	Sparks	N/A	State of NV Provisional Registration Certificate – Cultivation
MMNV2 Holdings III, LLC	Certificate: 38640867395488003985 Code: C022	Carson City	N/A	State of NV Provisional Registration Certificate – Cultivation
MMNV2 Holdings IV, LLC	Certificate: 93412679890472430861 Code: C023	Henderson	N/A	State of NV Provisional Registration Certificate – Cultivation
MMNV2 Holdings V, LLC	Certificate: 10617708293398081636 Code: C036	Unincorporated Washoe County	N/A	State of NV Provisional Registration Certificate – Cultivation

Note: Renewal applications have been submitted by MedMen in respect of each of the licenses and the registration certificate held by MMOF Vegas Retail, Inc. Such licenses and registration certificate remain effective during the renewal application process. MedMen expects to receive renewals for such licenses and registration certificate in the ordinary course of business.

All marijuana establishments must register with DOT. If applications contain all required information and after vetting by officers, establishments are issued a medical marijuana establishment registration certificate. In a local governmental jurisdiction that issues business licenses, the issuance by DOT of a medical marijuana establishment registration certificate is considered provisional until the local government has issued a business license for operation and the establishment is in compliance with all applicable local governmental ordinances. Final registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. Specifically, for the six (6) provisional licenses MedMen currently holds, each one has undergone three (3) renewal periods or requests for information: one (1) in November 2016, one (1) in July 2017, and one (1) in January 2018. Renewal requests are typically communicated through email from DOT and include a renewal form. The renewal periods serve as an update for DOT on the licensee's status toward active licensure. It is important to note provisional licenses do not permit the operation of any commercial or medical cannabis activity. Only after a provisional licensee has gone through

necessary state and local inspections, if applicable, and has received a final registration certificate from DOT may an entity engage in cannabis business operation.

License and Regulations

In the state of Nevada, only cannabis that is grown/produced in the state by a licensed establishment may be sold in the state. Although Nevada is not a vertically integrated system, MedMen is vertically integrated and has the capabilities to cultivate, harvest, process and sell/dispense/deliver cannabis and cannabis products. The state also allows MedMen to make wholesale purchase of cannabis from another licensed entity within the state.

The retail dispensary licenses and registration certificate permit MedMen to purchase marijuana from cultivation facilities, marijuana and marijuana products from product manufacturing facilities and marijuana from other retail stores, and allows the sale of marijuana and marijuana products to consumers.

The medical cultivation licenses permit MedMen to acquire, possess, cultivate, deliver, transfer, have tested, transport, supply or sell marijuana and related supplies to medical marijuana dispensaries, facilities for the production of edible medical marijuana products and/or medical marijuana-infused products, or other medical marijuana cultivation facilities. MedMen intends to apply for recreational license status for each of the medical marijuana licenses as soon as the state releases its forthcoming applications in 2018. One must have a final registration certificate in order to apply for recreational status.

The medical product manufacturing license permits MedMen to acquire, possess, manufacture, deliver, transfer, transport, supply, or sell edible marijuana products or marijuana infused products to other medical marijuana production facilities or medical marijuana dispensaries. MedMen intends to apply for recreational license status for the medical marijuana production license as soon as the state releases its forthcoming applications in 2018. One must have a final registration certificate in order to apply for recreational status.

Reporting Requirements

The state of Nevada uses METRC as the state's computerized T&T system used to track commercial cannabis activity and seed-to-sale. Individual licensees whether directly or through third-party integration systems are required to push data to the state to meet all reporting requirements. For the six (6) provisional licenses, MedMen will designate an in-house computerized seed to sale software that will integrate with METRC via API. The chosen seed-to-sale system captures the required data points for cultivation, manufacturing and retail as required in Nevada Revised Statutes section 453A. For the operating dispensary, MedMen currently uses BioTrackTHC's seed-to-sale solution and anticipates full integration of processes through METRC.

Storage and Security

To ensure the safety and security of cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products, MedMen is required to do the following:

- Be an enclosed, locked facility;
- Have a single secure entrance;
- Train employees in security measures and controls, emergency response protocol, confidentiality requirements, safe handling of equipment, procedures for handling

products, as well as the differences in strains, methods of consumption, methods of cultivation, methods of fertilization and methods for health monitoring;

- Install security equipment to deter and prevent unauthorized entrances, which includes:
    - Devices that detect unauthorized intrusion which may include a signal system;
    - Exterior lighting to facilitate surveillance;
    - Electronic monitoring including, without limitation:
- At least one call-up monitor that is 19 inches or more;
- A video printer capable of immediately producing a clear still photo from any video camera image;
- Video cameras with a recording resolution of at least 704 x 480 which provide coverage of all entrances to and exits from limited access areas and all entrances to and exits from the building and which can identify any activity occurring in or adjacent to the building;
- A video camera at each point-of-sale location which allows for the identification of any person who holds a valid registry identification card, including, without limitation, a designated primary caregiver, purchasing medical marijuana;
- A video camera in each grow room which can identify any activity occurring within the grow room in low light conditions;
- A method for storing video recordings from the video cameras for at least 30 calendar days;
- A failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system;
- Sufficient battery backup for video cameras and recording equipment to support at least five (5) minutes of recording in the event of a power outage; and
- Security alarm to alert local law enforcement of unauthorized breach of security;
- Implement security procedures that:
    - Restrict access of the establishment to only those persons/employees authorized to be there;
    - Deter and prevent theft;
    - Provide identification (badge) for those persons/employees authorized to be in the establishment;
    - Prevent loitering;
    - Require and explain electronic monitoring; and

- Require and explain the use of automatic or electronic notification to alert local law enforcement of an unauthorized breach of security.

New York

New York Regulatory Landscape

In July 2014, the New York Legislature and Governor enacted the Compassionate Care Act (A06357E, S07923) (the "**CCA**") to provide a comprehensive, safe and effective medical marijuana program to meet the needs of New Yorkers. The program allows ten (10) "Registered Organizations" to hold vertically integrated licenses and service qualified patients and caregivers. Limited product types are allowed in the state and smoking of cannabis flower is prohibited. The NYSDOH is the regulatory agency overseeing the medical marijuana program.

New York License

MedMen NY, Inc. ("**MedMen NY**") is licensed to operate as a vertically integrated medical marijuana cultivator, manufacturer and retailer, as a "Registered Organization", under applicable New York jurisdictional law. MedMen NY was issued five (5) licenses that are vertically integrated – one (1) cultivation/manufacturing license and four (4) dispensary licenses (collectively, the "**NY Licenses**"), under the CCA and Medical Use of Marihuana Regulations (Title 10, Chapter XIII, Part 1004) by the NYSDOH, permitting MedMen NY to possess, cultivate, process, transport, dispense and sell medical cannabis in the State of New York. MedMen NY obtained the rights to the NY Licenses through a stock purchase agreement completed in January 2017 with Bloomfield Industries, Inc., the original holder of the NY Licenses. In August 2017, the NYSDOH approved the change of the business name from Bloomfield Industries, Inc. to MedMen NY, Inc.

While there are individual licenses issued for each site in New York, MedMen NY is considered a vertically integrated license holder with one (1) cultivation/manufacturing facility in Utica, NY, and four dispensaries geographically dispersed throughout the state per the CCA. Please see Table 6 below for a list of the licenses issued to MedMen NY in respect of its operations in New York

Table 6: New York Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
MedMen NY	MM0501M	Utica	7/31/19	Utica – Manufacturing License
	MM0502D	Lake Success	7/31/19	Lake Success – Dispensary License
	MM0503D	New York	7/31/19	New York – Dispensary License
	MM0504D	Syracuse	7/31/19	Syracuse – Dispensary License
	MM0505D	Williamsville	7/31/19	Williamsville – Dispensary License

The state licenses in New York are renewed every two years. Before the two year period ends, licensees are required to submit a renewal application per guidelines published by the NYSDOH. While renewals are granted every two years, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, MedMen would expect to receive the applicable renewed license in the ordinary course of business. While MedMen's compliance controls have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that MedMen's licenses will be renewed in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations of MedMen and have a material adverse effect on MedMen's business, financial condition, results of operations or prospects.

New York Regulations

MedMen maintains an open and collaborative relationship with NYSDOH regulators. The NY Licenses permit the sale of medical cannabis products to any qualified patient who possess a physician's recommendation. Under the terms of the NY Licenses, MedMen NY is permitted to sell NYSDOH approved medical marijuana manufactured products to any qualified patient, provided that the patient presents a valid government-issued photo identification and NYSDOH-issued Registry Identification Card proving the patient or designated caregiver meets the statutory conditions to be a qualified patient or designated caregiver. Registry Identification Cards are valid for one year after the date the certification is signed. The card contains the recommendation from the physician and the limitation on form or dosage of medical marijuana.

In order for a physician to recommend medical marijuana, the physician must pay for and pass a NYSDOH approved physician certification training program which lasts for four hours. The content of the course includes: "pharmacology of marijuana; contraindications; side effects; adverse reactions; overdose prevention; drug interactions; dosing; routes of administration; risks and benefits; warnings and precautions; abuse and dependence; and such other components as determined by the commissioner".

In order for a patient or registered caregiver to receive dispensed marijuana, they must be logged into the Prescription Monitoring Program ("**PMP**") registry. The PMP registry is monitored by the NYSDOH and contains controlled substance prescription dispensing history and medical marijuana dispensing history to ensure that patients only receive a maximum of 30 days worth of dispensed product from one Registered Organization. Only registered pharmacists can dispense medical marijuana to approved patients and caregivers.

Allowable forms of medical marijuana in New York State are the following:

"(1) metered liquid or oil preparations;

(2) solid and semisolid preparations (e.g. capsules, chewable and effervescent tablets, lozenges);

(3) metered ground plant preparations; and

(4) topical forms and transdermal patches." [28]

Medical marijuana may not be incorporated into food products by the Registered Organization, unless approved by the Commissioner of Health. Smoking is not an approved route of administration.

Qualifying conditions in the state of New York are the following: cancer, HIV infection or AIDS, amyotrophic lateral sclerosis (ALS), Parkinson's disease, multiple sclerosis, spinal cord injury with spasticity, epilepsy, inflammatory bowel disease, neuropathy, Huntington's disease, post-traumatic stress disorder or chronic pain. The severe debilitating or life threatening condition must also be accompanied by one or more of the following associated or complicating conditions: cachexia or wasting syndrome, severe or chronic pain, severe nausea, seizures, or severe or persistent muscle spasms.

In the state of New York, only cannabis that is grown and manufactured in the state can be sold in the state. New York is a vertically integrated system however it does allow Registered Organizations to wholesale manufactured product to one another. As such, MedMen NY is vertically integrated and has the capabilities to cultivate, harvest, process, transport, sell and dispense cannabis products. Delivery is allowed from dispensaries to patients, however the delivery plan must be pre-approved by the NYSDOH. As of the date hereof, MedMen has not submitted a delivery plan to the NYSDOH.

Reporting Requirements

The state of New York has selected BioTrackTHC's solution as the state's T&T system used to track commercial cannabis activity and seed-to-sale. The BioTrackTHC system is required to serve as all Registered Organizations' patient verification system, but is optional as the Registered Organization facing tracking system. MedMen currently uses BioTrackTHC as its seed-to-sale tracking system, but is also exploring more robust options for the future that more seamlessly integrate with its tracking systems used in other states as well.

Every month the NYSDOH requests a dispensing report in Excel format, via email, showing all products dispensed for the month. This is the only report MedMen is required to submit to the NYSDOH. All other data is pulled by the NYSDOH directly from MedMen's seed-to-sale tracking system.

Storage and Security

To ensure the safety and security of cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products, MedMen is required to:

[28] New York State Department of Health. (2018 January). Registered Organizations. Retrieved from https://www.health.ny.gov/regulations/medical_marijuana/application/.

- Maintain a security operations plan that includes the following at a minimum:
    - a perimeter alarm;
    - motion detectors;
    - video cameras in all areas that may contain marijuana and at all points of entry and exit, which shall be appropriate for the normal lighting conditions of the area under surveillance. The manufacturing facility or dispensing facility shall direct cameras at all approved safes, approved vaults, dispensing areas, marijuana sales areas and any other area where marijuana is being manufactured, stored, handled, dispensed or disposed of. At entry and exit points, the manufacturing facility or dispensing facility shall angle cameras so as to allow for the capture of clear and certain identification of any person entering or exiting the facility;
    - twenty-four hour recordings from all video cameras, which the manufacturing facility or dispensing facility shall make available for immediate viewing by the department or the department's authorized representative upon request and shall be retained for at least 90 days. The registered organization shall provide the department with an unaltered copy of such recording upon request. If a registered organization is aware of a pending criminal, civil or administrative investigation or legal proceeding for which a recording may contain relevant information, the registered organization shall retain an unaltered copy of the recording until the investigation or proceeding is closed or the entity conducting the investigation or proceeding notifies the registered organization that it is not necessary to retain the recording;
    - a duress alarm, which for purposes of this section means a silent security alarm system signal generated by the entry of a designated code into an arming station in order to signal that the alarm user is being forced to turn off the system;
    - a panic alarm, which for purposes of this section, means an audible security alarm system signal generated by the manual activation of a device intended to signal a life threatening or emergency situation requiring a law enforcement response;
    - a holdup alarm, which for purposes of this section, means a silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress;
    - an automatic voice dialer or digital dialer, which for purposes of this section, means any electrical, electronic, mechanical, or other device capable of being programmed to send a prerecorded voice message, when activated, over a telephone line, radio or other communication system, to a law enforcement, public safety or emergency services agency requesting dispatch, or other department approved industry standard equivalent;
    - a failure notification system that provides an audible, text or visual notification of any failure in the surveillance system. The failure notification system shall provide an alert to the manufacturing facility or dispensing facility within five minutes of the failure, either by telephone, email, or text message;

  - the ability to immediately produce a clear color still photo that is a minimum of 9600 dpi from any camera image (live or recorded);

  - a date and time stamp embedded on all recordings. The date and time shall be synchronized and set correctly and shall not significantly obscure the picture; and

  - the ability to remain operational during a power outage.

- As a registered organization, ensure that any manufacturing facility and dispensing facility maintains all security system equipment and recordings in a secure location so as to prevent theft, loss, destruction or alterations.

- In addition to the requirements listed in of the first bullet above, ensure each manufacturing facility and dispensing facility shall have a back-up alarm system approved by the department that shall detect unauthorized entry during times when no employees are present at the facility and that shall be provided by a company supplying commercial grade equipment

- As a registered organization, limit access to any surveillance areas solely to persons that are essential to surveillance operations, law enforcement agencies, security system service employees, the department or the department's authorized representative, and others when approved by the department. A registered organization shall make available to the department or the department's authorized representative, upon request, a current list of authorized employees and service employees who have access to any surveillance room. A manufacturing facility and dispensing facility shall keep all on-site surveillance rooms locked and shall not use such rooms for any other function.

- As a registered organization, keep illuminated the outside perimeter of any manufacturing facility and dispensing facility that is operated under the registered organization's license.

- Ensure all video recordings shall allow for the exporting of still images in an industry standard image format (including .jpeg, .bmp, and .gif). Exported video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall also have the ability to be saved in an industry standard file format that can be played on a standard computer operating system. A registered organization shall erase all recordings prior to disposal or sale of the facility.

- As a registered organization, keep all security equipment in full operating order and shall test such equipment no less than semi-annually at each manufacturing facility and dispensing facility that is operated under the registered organization's registration. Records of security tests must be maintained for five years and made available to the department upon request.

- With respect to the manufacturing facility of the registered organization, it must be securely locked and protected from unauthorized entry at all times. In this regard:

  - The registered organization shall be responsible for ensuring the integrity of the security of the manufacturing facility and the maintenance of sanitary operations when permitting access to the facility.

  - The manufacturing facility shall maintain a visitor log of all persons other than registered organization employees or emergency personnel responding to an emergency that access any secured areas, which shall include the name of the visitor, date, time and purpose of the visit. The visitor log shall be available to the department at all times during operating hours and upon request.

- Ensure all marijuana must be stored in a secure area or location within the registered organization accessible to the minimum number of employees essential for efficient operation and in such a manner as approved by the department in advance, to prevent diversion, theft or loss.

- Return marijuana to its secure location immediately after completion of manufacture, distribution, transfer or analysis.

- Ensure all medical marijuana must be stored in such a manner as to protect against physical, chemical and microbial contamination and deterioration of the product.

- Ensure all approved safes, vaults or any other approved equipment or areas used for the manufacturing or storage of marijuana and approved medical marijuana products must be securely locked or protected from entry, except for the actual time required to remove or replace marijuana or approved medical marijuana products.

- Ensure that keys shall not be left in the locks or stored or placed in a location accessible to individuals who are not authorized access to marijuana or manufactured medical marijuana products.

- Ensure that all security measures, such as combination numbers, passwords or biometric security systems, shall not be accessible to individuals other than those specifically authorized to access marijuana or manufactured medical marijuana products.

- Prior to transporting any medical marijuana, a registered organization shall complete a shipping manifest using a form determined by the department.

- A copy of the shipping manifest must be transmitted to the destination that will receive the products and to the department at least two business days prior to transport unless otherwise expressly approved by the department. In this regard:

  - The registered organization shall maintain all shipping manifests and make them available to the department for inspection upon request, for a period of 5 years.

  - Approved medical marijuana products must be transported in a locked storage compartment that is part of the vehicle transporting the marijuana and in a storage compartment that is not visible from outside the vehicle.

- Ensure its employees, when transporting approved medical marijuana products, shall travel directly to his or her destination(s) and shall not make any unnecessary stops in between.

- As a registered organization, ensure that all approved medical marijuana product delivery times are randomized.

- As a registered organization, staff all transport vehicles with a minimum of two employees. At least one transport team member shall remain with the vehicle at all times that the vehicle contains approved medical marijuana products.

- Ensure its transport team member shall have access to a secure form of communication with employees at the registered organization's manufacturing facility at all times that the vehicle contains approved medical marijuana products.

- Ensure its transport team member shall possess a copy of the shipping manifest at all times when transporting or delivering approved medical marijuana products and shall produce it to the commissioner, the commissioner's authorized representative or law enforcement official upon request.

Compliance Program

MedMen's Director of Compliance oversees, maintains, and implements the compliance program and personnel in conjunction with the SVP of Legal Affairs. In addition to MedMen's robust legal and compliance departments, MedMen also has local regulatory/compliance counsel engaged in every jurisdiction (state and local) in which it operates. The Director of Compliance and Compliance Managers serve as the liaison to state and local regulators during both regular business hours and after hours. The compliance department is responsible for ensuring operations and employees strictly comply with applicable laws, regulations and licensing conditions and ensure that operations do not endanger the health, safety or welfare of the community. The Director of Compliance coordinates with the Director of Security to ensure that the operation and all employees are following and complying with MedMen's written security procedures.

The compliance department oversees training for all employees, including on the following topics:

- Compliance with State and local laws
- Safe Cannabis Use
- Dispensing Procedures
- Security & Safety Policies and Procedures
- Inventory Control
- Track-and-Trace Training Session
- Quality Control
- Transportation Procedures

MedMen's compliance program emphasizes security and inventory control to ensure strict monitoring of cannabis and inventory from delivery by a licensed distributor to sale or disposal. Only authorized, properly trained employees are allowed to access MedMen's computerized seed-to-sale system and strict controls will be implemented when California releases the statewide T&T system.

The Director of Compliance monitors all compliance notifications from the statewide T&T system, timely resolving any issues identified. MedMen keeps records, on its computerized seed-

to-sale system, of all compliance notifications received from the statewide T&T system and how and when the issue was resolved. If MedMen is be unable to resolve the issue within 12 hours of notice, MedMen notifies the state immediately.

MedMen has created comprehensive standard operating procedures that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory, as well as procedures for performing inventory reconciliation and ensuring the accuracy of inventory tracking and recordkeeping. MedMen maintains accurate records of its inventory at all licensed facilities. Adherence to MedMen's standard operating procedures is mandatory and ensures that MedMen's operations are compliant with the rules set forth by the applicable state and local laws, regulations, ordinances, licenses and other requirements.

In addition to the above disclosure, please see Section 17 below for further risk factors associated with the operations of MedMen and the Resulting Issuer.

5. Selected Consolidated Financial Information

The following table sets out certain selected financial information of the MedMen Group of Companies in summary form for the year ended June 30, 2017 and the six month period ended December 31, 2017. This selected financial information has been derived from and should be read in conjunction with the MedMen Group of Companies' financial statements for the year ended June 30, 2017 and the three and six month periods ended December 31, 2017 and December 31, 2016, which are attached to this Listing Statement as Schedules "A" and "B", respectively:

	As at and for the six months ended December 31, 2017 (US$000s)	**As at and for the year ended June 30, 2017 (US$000s)**
Current assets	29,615	13,602
Total assets	91,464	60,431
Current liabilities	32,730	14,177
Total liabilities	40,875	26,851
Members' equity	50,589	33,579
Revenue	3,362	2,671
Net Loss	(15,284)	(15,418)

It is contemplated by the Resulting Issuer will reinvest all future earnings in order to finance the development and growth of its business. As a result, it is not contemplated that dividends will be paid on the Subordinate Voting Shares in the foreseeable future. Any future determination to pay distributions will be at the discretion of the Resulting Issuer Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Resulting Issuer Board deems relevant.

Description of Certain Existing and Recent Indebtedness

As further described in the MedMen Group of Companies' financial statements for the three and six month periods ended December 31, 2017 and December 31, 2016, certain of

MedMen's subsidiaries have issued promissory notes in the aggregate principal amount of US$19.6 million as of December 31, 2017, with varying principal amounts, interest rates and maturity dates and the obligations under certain of these notes are secured against certain of the properties of the applicable subsidiaries. Such promissory notes provide for standard restrictions, operational covenants and conditions in the context of which they were issued. These notes include convertible promissory notes originally issued throughout 2015 in a aggregate principal amount of US$3.2 million, bearing an interest rate of 5% per annum, that were reissued and deemed to be issued on January 18, 2017 and maturing on January 18, 2019, bearing an interest rate of 10% per annum. The principal and interest accrued on these notes (the "**Rollover Notes**") are convertible into common shares in MedMen NY, at the election of the majority noteholders in interest: (i) on the maturity date of the Rollover Note, or (ii) if MedMen NY engages in an equity financing with (a) one or more third parties (that are not affiliates of MedMen NY) raising at least US$10 million, or (b) after the date on which Project Compassion NY, LLC, together with its affiliates, has contributed at least US$35 million of capital to MedMen NY (each, a "**Financing Event**"). The conversion rate applicable for the Rollover Notes is determined by dividing (i) the outstanding principal balance plus accrued and unpaid interest on the Rollover Note through the date of conversion, by (ii) the applicable conversion price. The conversion price is determined (i) with respect to a conversion triggered by a Financing Event, as the product obtained by multiplying (x) 80% by (y) the lowest per share purchase price of the securities issued in the Financing Event, and (ii) with respect to a conversion on maturity, as the quotient resulting from dividing (x) the Company Valuation by (y) the Fully Diluted Capitalization immediately prior to such conversion. "**Company Valuation**" is defined as the equity valuation of MedMen NY as agreed among MedMen NY and the holders of a majority-in-interest of aggregate principal amount of the Rollover Notes, or a valuation as determined by internal analysis which may involve an independent third party professional if the parties cannot agree to such valuation. "**Fully Diluted Capitalization**" is defined as the number of issued and outstanding shares of MedMen NY, assuming conversion or exercise of all outstanding convertible or exercisable securities of MedMen NY, excluding any equity securities issuable in connection with any convertible debt instrument of MedMen NY (including the Rollover Notes). The Resulting Issuer expects that should the conversion rights in respect of all outstanding Rollover Notes be exercised upon their maturity, the common shares of MedMen NY issued upon such conversion would represent less than 10% of the issued and outstanding common shares of MedMen NY.

On February 2, 2018, MedMen completed the US$36.5 million MedMen Convertible Note Offering comprised of US$36.5 million principal amount of MedMen Convertible Notes and of MedMen Warrants. Each MedMen Convertible Note accrued interest at a rate of 10% per annum, compounded annually, and was fully due and payable on the earlier of July 31, 2019 and the occurrence of certain events of default. The outstanding principal amount under the MedMen Convertible Notes and all accrued and unpaid interest thereon were automatically convertible prior to the maturity thereof upon the consummation by MedMen of certain transactions, which included the Business Combination, into Class B MedMen Units at a deemed price of the MedMen Convertible Note Conversion Price, which is equal to 75% of the SR Offering Price. The MedMen Convertible Note Offering definitive documentation did not subject MedMen to any material restrictions, operational covenants or conditions.

In connection with the San Diego Property Acquisition, on March 2, 2018, a subsidiary of MedMen issued a secured promissory note in the principal amount of US$3.38 million to a third party lender. The principal amount outstanding under the note accrues interest at a rate of 9.99% per annum. Interest is payable monthly beginning on May 1, 2018 and the principal amount and all accrued and unpaid interest thereon is due and payable on April 1, 2020. The obligations under this note are secured against the San Diego Property and are guaranteed by MedMen. This note does not subject MedMen to any material restrictions, operational covenants or conditions.

In connection with the Abbot Kinney Acquisition, on March 13, 2018, a subsidiary of MedMen issued a secured promissory note in the principal amount of US$10.5 million to a third party lender. The principal amount outstanding under the note accrues interest at a rate of 8.99% per annum. Interest is payable monthly beginning on May 1, 2018 and the principal amount and all accrued and unpaid interest thereon is due and payable on April 1, 2019. The obligations under this note are secured against the real estate subject to the Abbot Kinney Acquisition and are guaranteed by MedMen. MedMen has pledged certain collateral to the third party lender. The pledged collateral includes, among other things, all of MedMen's ownership interests in the borrowing subsidiary, patents and trademarks owned directly by or in the name of MedMen and the borrowing subsidiary, and all cash or other property distributed or payable by the borrowing subsidiary to MedMen. This note does not subject MedMen to any material restrictions, operational covenants or conditions.

On April 30, 2018, certain subsidiaries of MedMen received loans (collectively, the "**April Indebtedness**") in an aggregate principal amount of US$26.5 million, which aggregate principal amount accrues interest at a rate of 15% per annum, matures one year from the date of issue and is pre-payable with a penalty payment of six months interest. The obligations under such indebtedness are secured against the respective properties of such subsidiaries, which are located in California and Nevada, by way of first priority liens. The obligations under such indebtedness have also been guaranteed by MedMen. Such indebtedness does not subject the Resulting Issuer to any material restrictions, operational covenants or conditions. The principal amount of such loans was used for repayment of existing outstanding debt of MedMen and working capital. On April 30, 2018, in connection with such indebtedness, MedMen Corp issued to the lenders warrants to acquire 483,097 MedMen Corp Redeemable Shares ("**April Warrants**") at an exercise price of US$4.14 per MedMen Corp Redeemable Share, exercisable for a one year period from the date of listing of the Subordinate Voting Shares on the CSE.

On May 10, 2018, MedMen Corp completed a US$5.0 million non-brokered private placement comprised of US$5.0 million aggregate principal amount of May Convertible Notes. Each May Convertible Note accrues interest at a rate of 5% per annum and is fully due and payable on August 10, 2018. The outstanding principal amount under the May Convertible Notes is convertible by the holders thereof into MedMen Corp Redeemable Shares at a conversion price of US$3.15 per MedMen Corp Redeemable Share until August 10, 2018. Accrued interest on the May Convertible Notes becomes immediately repayable by MedMen Corp upon the conversion of the May Convertible Notes. The proceeds from the sale of the May Convertible Notes were used by MedMen for working capital. In connection with the sale of the May Convertible Notes, MedMen Corp issued to the lenders the May 10 Warrants.

On May 16, 2018, MedMen received a loan in an aggregate principal amount of US$7.5 million, which principal amount accrues interest at a rate of 15% per annum, matures one year from the date of issue and is pre-payable with a penalty payment of six months interest. The obligations under such indebtedness are secured against the same properties in California and Nevada secured under the April Indebtedness by way of second priority liens, subordinate in priority to the liens registered in connection with the April Indebtedness. Such indebtedness does not subject the Resulting Issuer to any material restrictions, operational covenants or conditions. The principal amount of the loan was used for working capital. On May 16, 2018, in connection with such indebtedness, MedMen Corp issued to the lenders warrants to acquire 1,875,000 MedMen Corp Redeemable Shares ("**May 16 Warrants**") at an exercise price of US$4.14 per MedMen Corp Redeemable Share, exercisable for a one year period from the date of listing of the Subordinate Voting Shares on the CSE.

6. **Management's Discussion and Analysis**

Annual* MD*&A

Please see attached the MedMen Group of Companies MD&A for the year ended June 30, 2017 and the three and six months ended December 31, 2017, attached hereto as Schedule "D".

Interim MD&A

Please see attached the MedMen Group of Companies MD&A for the year ended June 30, 2017 and the three and six months ended December 31, 2017, attached hereto as Schedule "D".

7. **Market for Securities**

The securities of MedMen were not listed prior to completion of the Business Combination. The Subordinate Voting Shares are listed for trading on the CSE under the symbol "MMEN".

8. Consolidated Capitalization

The following table summarizes the share capital of MedMen, MedMen Corp, MedMen Acquisition, Ladera and the Resulting Issuer both prior and after giving effect to the SR Offering and the Business Combination, including the conversion of the outstanding principal amount under the MedMen Convertible Notes (and all accrued interest thereon) and the exchange of the Subscription Receipts for their underlying MedMen Acquisition Shares (and thereafter the exchange of all MedMen Acquisition Shares by the holders thereof for Subordinate Voting Shares):

Description	Amount Outstanding Prior to Giving Effect to the SR Offering and the Business Combination[1]	Amount Outstanding After Giving Effect to the SR Offering but Prior to Giving Effect to the Business Combination[1]	Amount Outstanding After Giving Effect to the SR Offering and the Business Combination[1]
MedMen			
MedMen Class A Units	8,506,938	8,506,938	-
MedMen Class B Units	362,929,933	362,929,933	-
MedMen Convertible Notes[2]	US$36,495,000	US$36,495,000	-
MedMen Warrants[3]	6,060,426	6,060,426	-
LTIP Units[4]	-	-	30,314,334
MedMen Redeemable Units[5]	-	-	1,570,065
MedMen Non-Redeemable Units	-	-	410,762,159
MedMen Corp			
Common Shares	1	1	-
MedMen Corp Redeemable Shares	-	-	381,986,983
MedMen Corp Voting Shares (Non-Redeemable)	-	-	28,775,176
MedMen Warrants[3]	-	-	6,060,426
April Warrants	483,097	483,097	483,097
May 10 Warrants	793,650	793,650	793,650
May 16 Warrants	1,875,000	1,875,000	1,875,000
May Convertible Notes	US$5,000,000	US$5,000,000	US$5,000,000
MedMen Acquisition			
Common Shares	100	100	-
Subscription Receipts	-	27,301,729	-

Description	Amount Outstanding Prior to Giving Effect to the SR Offering and the Business Combination[1]	Amount Outstanding After Giving Effect to the SR Offering but Prior to Giving Effect to the Business Combination[1]	Amount Outstanding After Giving Effect to the SR Offering and the Business Combination[1]
Ladera			
Ladera Shares	5,423,790	5,423,790	-
Preferred Shares.....	-	-	-
Ladera Subscription Receipts.....	8,000,000	8,000,000	-
Resulting Issuer			
Subordinate Voting Shares[6][7] ...	-	-	28,775,176
Super Voting Shares[7]	-	-	1,630,590
Preferred Shares.....	-	-	-
Resulting Issuer Options.....	-	-	8,306,271
Compensation Warrants[8]	-	-	2,415,485

Notes:

(1) In connection with the Business Combination, the outstanding MedMen Units were split on a 1.6417 for 1 basis prior to their reorganization into MedMen Redeemable Units and MedMen Non-Redeemable Units.

(2) The outstanding principal amount under the MedMen Convertible Notes and all accrued interest thereon were automatically convertible prior to the maturity thereof upon the consummation by MedMen of certain transactions, which included the Business Combination, into Class B MedMen Units at a deemed price of the MedMen Convertible Note Conversion Price, which is equal to 75% of the SR Offering Price. They were as a result converted into 12,120,852 Class B MedMen Units.

(3) In connection with the Business Combination, the MedMen Warrants were amended to become exercisable for MedMen Corp Redeemable Shares (instead of Class B MedMen Units) on economically equivalent terms.

(4) LTIP Units were issued to certain officers of the Resulting Issuer based upon the SR Offering Price.

(5) MedMen Redeemable Units currently outstanding are held by certain officers of the Resulting Issuer and were issued to them as capital interests based on the SR Offering Price.

(6) In connection with the Business Combination, Ladera completed the Consolidation at a rate of 9.2623 pre-Consolidation shares to one (1) post-Consolidation share.

(7) For further details in respect of the Subordinate Voting Shares and Super Voting Shares, see Section 10 below.

(8) Warrants issued to a consultant. Each warrant is exercisable for one Subordinate Voting Share at an exercise price of C$5.25 per share.

9. Options to Purchase Securities

The following table sets forth the aggregate number of Options of the Resulting Issuer (the "**Resulting Issuer Options**") that are outstanding as of the date hereof. The Resulting Issuer Options are subject to the New Equity Incentive Plan, which is described below.

	Subordinate Voting Shares Under Options Granted[(1)]	Exercise Price (C$)	Date of Grant
All executive officers and directors of MedMen Enterprises Inc.	Nil	N/A	N/A
All other employees of any subsidiaries of MedMen Enterprises Inc.	8,306,271	5.25	May 28, 2018
All consultants of MedMen Enterprises Inc.	Nil	N/A	N/A
Any other person	Nil	N/A	N/A

Note:

(1) The Resulting Issuer Options outstanding have a 10 year term and generally have the following vesting conditions: 1/4 of the Subordinate Voting Shares subject to the options will vest on the 1st anniversary of the date of grant and 1/48 of the Subordinate Voting Shares subject to the options will vest upon each successive month after the 1st anniversary of the date of grant.

The Resulting Issuer has implemented the New Equity Incentive Plan, the principal terms of which are described below. Also, MedMen has separate discretion to grant LTIP Units under the A&R LLC Agreement. See the description of the A&R LLC Agreement under Section 10 below.

Summary of New Equity Incentive Plan

The principal features of the New Equity Incentive Plan are summarized below.

Purpose

The purpose of the New Equity Incentive Plan will be to enable the Resulting Issuer and its affiliated companies to: (i) promote and retain employees, officers, consultants, advisors and directors capable of assuring the future success of the Resulting Issuer, (ii) to offer such persons incentives to put forth maximum efforts, and (iii) to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership, thereby aligning the interests of such persons and Resulting Issuer shareholders.

The New Equity Incentive Plan permits the grant of (i) nonqualified stock options ("**NQSOs**") and incentive stock options ("**ISOs**") (collectively, "**Options**"), (ii) restricted stock awards, (iii) restricted stock units ("**RSUs**"), (iv) stock appreciation rights ("**SARs**"), and (v) performance compensation awards, which are referred to herein collectively as "**Awards**," as more fully described below.

To the extent that the Resulting Issuer Board has not appointed a Compensation Committee, all rights and obligations noted below of a Compensation Committee in respect of the New Equity Incentive Plan shall be those of the full Resulting Issuer Board.

Eligibility

Any of the Resulting Issuer's employees, officers, directors, consultants (who are natural persons) are eligible to participate in the New Equity Incentive Plan if selected by the Compensation Committee of the Resulting Issuer (the "**Participants**"). The basis of participation of an individual under the New Equity Incentive Plan, and the type and amount of any Award that an individual will be entitled to receive under the New Equity Incentive Plan, will be determined by the Compensation Committee based on its judgment as to the best interests of the Resulting Issuer and its shareholders, and therefore cannot be determined in advance.

The maximum number of Subordinate Voting Shares that may be issued under the New Equity Incentive Plan shall be determined by the Resulting Issuer Board from time to time. Any shares subject to an Award under the New Equity Incentive Plan that are forfeited, cancelled, expire unexercised, are settled in cash, or are used or withheld to satisfy tax withholding obligations of a Participant shall again be available for Awards under the New Equity Incentive Plan.

In the event of any dividend, recapitalization, forward or reverse stock split, reorganization, merger, amalgamation, consolidation, split-up, split-off, combination, repurchase or exchange of Subordinate Voting Shares or other securities of the Resulting Issuer, issuance of warrants or other rights to acquire Subordinate Voting Shares or other securities of the Resulting Issuer, or other similar corporate transaction or event, which affects the Subordinate Voting Shares, or unusual or nonrecurring events affecting the Resulting Issuer, or the financial statements of the Resulting Issuer, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, the Compensation Committee may make such adjustment, which is appropriate in order to prevent dilution or enlargement of the rights of Participants under the New Equity Incentive Plan, to (i) the number and kind of shares which may thereafter be issued in connection with Awards, (ii) the number and kind of shares issuable in respect of outstanding Awards, (iii) the purchase price or exercise price relating to any Award or, if deemed appropriate, make provision for a cash payment with respect to any outstanding Award, and (iv) any share limit set forth in the New Equity Incentive Plan.

Awards

Options

The Compensation Committee is authorized to grant Options to purchase Subordinate Voting Shares that are either ISOs meaning they are intended to satisfy the requirements of Section 422 of the Code, or NQSOs, meaning they are not intended to satisfy the requirements of Section 422 of the Code. Options granted under the New Equity Incentive Plan will be subject to the terms and conditions established by the Compensation Committee. Under the terms of the New Equity Incentive Plan, unless the Compensation Committee determines otherwise in the case of an Option substituted for another Option in connection with a corporate transaction, the exercise price of the Options will not be less than the fair market value (as determined under the New Equity Incentive Plan) of the shares at the time of grant. Options granted under the New Equity Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Compensation Committee and specified in the applicable award agreement. The maximum term of an option granted under the New Equity Incentive Plan will be ten years from the date of grant (or five years in the case of an ISO granted to a 10% shareholder). Payment in respect of the exercise of an Option may be made in cash or

by check, by surrender of unrestricted shares (at their fair market value on the date of exercise) or by such other method as the Compensation Committee may determine to be appropriate.

Restricted Stock

A restricted stock award is a grant of Subordinate Voting Shares, which are subject to forfeiture restrictions during a restriction period. The Compensation Committee will determine the price, if any, to be paid by the Participant for each Subordinate Voting Shares subject to a restricted stock award. The Compensation Committee may condition the expiration of the restriction period, if any, upon: (i) the Participant's continued service over a period of time with the Resulting Issuer or its affiliates; (ii) the achievement by the Participant, the Resulting Issuer or its affiliates of any other performance goals set by the Compensation Committee; or (iii) any combination of the above conditions as specified in the applicable award agreement. If the specified conditions are not attained, the Participant will forfeit the portion of the restricted stock award with respect to which those conditions are not attained, and the underlying Subordinate Voting Shares will be forfeited. At the end of the restriction period, if the conditions, if any, have been satisfied, the restrictions imposed will lapse with respect to the applicable number of Subordinate Voting Shares. During the restriction period, unless otherwise provided in the applicable award agreement, a Participant will have the right to vote the shares underlying the restricted stock; however, all dividends will remain subject to restriction until the stock with respect to which the dividend was issued lapses. The Compensation Committee may, in its discretion, accelerate the vesting and delivery of shares of restricted stock. Unless otherwise provided in the applicable award agreement or as may be determined by the Compensation Committee, upon a Participant's termination of service with the Resulting Issuer, the unvested portion of a restricted stock award will be forfeited.

RSUs

RSUs are granted in reference to a specified number of Subordinate Voting Shares and entitle the holder to receive, on achievement of specific performance goals established by the Compensation Committee, after a period of continued service with the Resulting Issuer or its affiliates or any combination of the above as set forth in the applicable award agreement, one Subordinate Voting Share for each such Subordinate Voting Share covered by the RSU; provided, that the Compensation Committee may elect to pay cash, or part cash and part Subordinate Voting Shares in lieu of delivering only Subordinate Voting Shares. The Compensation Committee may, in its discretion, accelerate the vesting of RSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the Compensation Committee, upon a Participant's termination of service with the Resulting Issuer, the unvested portion of the RSUs will be forfeited.

Stock Appreciation Rights

An SAR entitles the recipient to receive, upon exercise of the SAR, the increase in the fair market value of a specified number of Subordinate Voting Shares from the date of the grant of the SAR and the date of exercise payable in Subordinate Voting Shares. Any grant may specify a vesting period or periods before the SAR may become exercisable and permissible dates or periods on or during which the SAR shall be exercisable. No SAR may be exercised more than ten years from the grant date. Upon a Participant's termination of service, the same general conditions applicable to Options as described above would be applicable to the SAR.

General

The Compensation Committee may impose restrictions on the grant, exercise or payment of an Award as it determines appropriate. Generally, Awards granted under the New Equity Incentive Plan shall be nontransferable except by will or by the laws of descent and distribution.

No Participant shall have any rights as a shareholder with respect to Subordinate Voting Shares covered by Options, SARs, restricted stock awards, or RSUs, unless and until such Awards are settled in Subordinate Voting Shares.

No Option (or, if applicable, SARs) shall be exercisable, no Subordinate Voting Shares shall be issued, no certificates for Subordinate Voting Shares shall be delivered and no payment shall be made under the New Equity Incentive Plan except in compliance with all applicable laws.

The Resulting Issuer Board may amend, alter, suspend, discontinue or terminate the New Equity Incentive Plan and the Compensation Committee may amend any outstanding Award at any time; provided that (i) such amendment, alteration, suspension, discontinuation, or termination shall be subject to the approval of the Resulting Issuer's shareholders if such approval is necessary to comply with any tax or regulatory requirement applicable to the New Equity Incentive Plan (including, without limitation, as necessary to comply with any rules or requirements of applicable securities exchange), and (ii) no such amendment or termination may adversely affect Awards then outstanding without the Award holder's permission.

In the event of any reorganization, merger, consolidation, split-up, spin-off, combination, plan of arrangement, take over bid or tender offer, repurchase or exchange of Subordinate Voting Shares or other securities of the Resulting Issuer or any other similar corporate transaction or event involving the Resulting Issuer (or the Resulting Issuer shall enter into a written agreement to undergo such a transaction or event), the Compensation Committee or the Resulting Issuer Board may, in its sole discretion, provide for any (or a combination) of the following to be effective upon the consummation of the event (or effective immediately prior to the consummation of the event, provided that the consummation of the event subsequently occurs):

- termination of the Award, whether or not vested, in exchange for cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the vested portion of the Award or realization of the Participant's vested rights,

- the replacement of the Award with other rights or property selected by the Compensation Committee or the Resulting Issuer Board, in its sole discretion,

- assumption of the Award by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices,

- that the Award shall be exercisable or payable or fully vested with respect to all Subordinate Voting Shares covered thereby, notwithstanding anything to the contrary in the applicable award agreement, or

- that the Award cannot vest, be exercised or become payable after a date certain in the future, which may be the effective date of the event.

Tax Withholding

The Resulting Issuer may take such action as it deems appropriate to ensure that all applicable federal, state, local and/or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant.

10. **Description of the Securities**

DESCRIPTION OF SHARE CAPITAL OF THE RESULTING ISSUER

The authorized share capital of the Resulting Issuer consists of an unlimited number of Class A Super Voting Shares (the Super Voting Shares) and an unlimited number of Class B Subordinate Voting Shares (the Subordinate Voting Shares) and an unlimited amount of Preferred Shares issuable in series. The following is a summary of the rights, privileges, restrictions and conditions attached to the Subordinate Voting Shares, the Super Voting Shares and the Preferred Shares.

Subordinate Voting Shares

Holders of Subordinate Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another particular class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting holders of Subordinate Voting Shares are entitled to one vote in respect of each Subordinate Voting Share held. As long as any Subordinate Voting Shares remain outstanding, the Resulting Issuer will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Subordinate Voting Shares. Holders of Subordinate Voting Shares will be entitled to receive as and when declared by the directors of the Resulting Issuer, dividends in cash or property of the Resulting Issuer. In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, or in the event of any other distribution of assets of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of the Resulting Issuer ranking in priority to the Subordinate Voting Shares (including, without restriction, the Super Voting Shares as to the issue price paid in respect thereof) be entitled to participate rateably along with all other holders of Subordinate Voting Shares. Holders of Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Resulting Issuer. **In the event that a take-over bid is made for the Super Voting Shares, the holders of Subordinate Voting Shares shall not be entitled to participate in such offer and may not tender their shares into any such offer, whether under the terms of the Subordinate Voting Shares or under any coattail trust or similar agreement**. **Notwithstanding this, any take-over bid for solely the Super Voting Shares is unlikely given that by the terms of the investment agreement described below, upon any sale of Super Voting Shares to an unrelated third party purchaser, such Super Voting Shares will be deemed redeemed by the Resulting Issuer for their issue price.**

Super Voting Shares

Holders of Super Voting Shares are not entitled to receive dividends. They will be entitled to notice of and to attend at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another particular class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting, holders of Super Voting Shares will be entitled to 1,000 votes in respect of each Super Voting Share held. However, if at any time the aggregate number of issued and outstanding MedMen Corp Redeemable Shares and MedMen Redeemable Units (or such securities of any successor to MedMen Corp or MedMen as may exist from time to time) beneficially owned, directly or indirectly, by a holder of the Super Voting Shares and the holder's predecessor or transferor, permitted transferees and permitted successors, divided by the number of MedMen Corp Redeemable Shares and MedMen Redeemable Units beneficially owned, directly or indirectly, by the holder (and the holder's predecessor or transferor, permitted transferees and permitted successors) as at the date of completion of the Business Combination is less than 50%, the holder will from that time forward

be entitled to 50 votes in respect of each Super Voting Share held. The holders of Super Voting Shares will, from time to time upon the request of the Resulting Issuer, provide to the Resulting Issuer evidence as to such holders' direct and indirect beneficial ownership (and that of its permitted transferees and permitted successors) of MedMen Corp Redeemable Shares and MedMen Redeemable Units to enable the Resulting Issuer to determine the voting entitlement of the Super Voting Shares. For purposes of these calculations, a holder of Super Voting Shares will be deemed to beneficially own MedMen Corp Redeemable Shares held by an intermediate company or fund in proportion to their equity ownership of such company or fund.

As of the date hereof, the Subordinate Voting Shares represent approximately 1.7% of the voting rights attached to outstanding securities of the Resulting Issuer and the Super Voting Shares represent approximately 98.3% of the voting rights attached to outstanding securities of the Resulting Issuer.

As long as any Super Voting Shares remain outstanding, the Resulting Issuer will not, without the consent of the holders of the Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Super Voting Shares. Additionally, consent of the holders of a majority of the outstanding Super Voting Shares will be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Super Voting Shares. In connection with the exercise of the voting rights in respect of any such approvals, each holder of Super Voting Shares will have one vote in respect of each Super Voting Share held.

In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, or in the event of any other distribution of assets of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, the Resulting Issuer will distribute its assets firstly and in priority to the rights of holders of any other class of shares of the Resulting Issuer (including the holders of the Subordinate Voting Shares) to return the issue price of the Super Voting Shares to the holders thereof and if there are insufficient assets to fully return the issue price to the holders of the Super Voting Shares such holders will receive an amount equal to their pro rata share in proportion to the issue price of their Super Voting Shares along with all other holders of Super Voting Shares. The holders of Super Voting Shares will not be entitled to receive, directly or indirectly, as holders of Super Voting Shares any other assets or property of the Resulting Issuer and their sole rights will be to the return of the issue price of such Super Voting Shares.

No subdivision or consolidation of the Super Voting Shares or the Subordinate Voting Shares shall occur unless, simultaneously, the Super Voting Shares and the Subordinate Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

The holders of Super Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, bonds, debentures or other securities of the Resulting Issuer not convertible into Super Voting Shares.

The Resulting Issuer will have the right to redeem all or some of the Super Voting Shares from a holder of Super Voting Shares, for an amount equal to the issue price for each Super Voting Share, payable in cash to the holders of the Super Voting Shares so redeemed (the exercise of which right will be subject to the terms and conditions of the investment agreement described below). The Resulting Issuer need not redeem Super Voting Shares on a pro-rata basis among the holders of Super Voting Shares.

No Super Voting Share will be permitted to be transferred by the holder thereof without the prior written consent of the Resulting Issuer (which consent right will be qualified by the terms and conditions of the investment agreement described below).

To supplement the rights, privileges, restrictions and conditions attached to the Super Voting Shares, the Resulting Issuer, Mr. Bierman and Mr. Modlin entered into an investment agreement effective as of the completion of the Business Combination which, among other things, provides that (a) the Resulting Issuer will redeem one (1) Super Voting Share held by the applicable holder for the issue price thereof for every 50 MedMen Corp Redeemable Shares and MedMen Redeemable Units beneficially owned, directly or indirectly, or deemed to be so beneficially owned by such holder that are redeemed in accordance with their terms for Subordinate Voting Shares, (b) the Resulting Issuer will issue one (1) Super Voting Share to Mr. Bierman or Mr. Modlin, as applicable, for every 50 MedMen Corp Redeemable Shares and MedMen Redeemable Units issued to them in connection with their executive compensation arrangements, (c) each Super Voting Share will be transferable only if it is transferred concurrently with 50 MedMen Corp Redeemable Shares and/or MedMen Redeemable Units, and only in connection with a transfer to the holder's immediate family members or an affiliated entity, a transfer for purposes of estate or tax planning or matters or a transfer to the other Founder, and (d) upon any sale of Super Voting Shares to a third party purchaser not listed in clause (c), such Super Voting Shares will be deemed redeemed by the Resulting Issuer for their issue price.

Preferred Shares

The Preferred Shares may be issued at any time or from time to time in one or more series. The directors will fix the provisions attached to each series from time to time before issuance, including determining entitlements to the payment of dividends, redemptions and any entitlements to receive notice of, to attend or to vote at any meeting of shareholders of the Resulting Issuer. The Preferred Shares of each series will rank on a parity with the Preferred Shares of every other series with respect to priority and payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Resulting Issuer.

DESCRIPTION OF SHARE CAPITAL OF MEDMEN CORP

The share capital of MedMen Corp consists of MedMen Corp Voting Shares and MedMen Corp Redeemable Shares.

Holders of MedMen Corp Voting Shares are entitled to receive notice of, attend and vote at meetings of the securityholders of MedMen Corp (other than meetings at which only holders of another class or series of shares are entitled to vote separately as a class or series). Each MedMen Corp Voting Share entitles the holder thereof to one vote on all matters upon which holders of MedMen Corp Voting Shares are entitled to vote.

Holders of MedMen Corp Redeemable Shares are entitled to exchange or redeem their MedMen Corp Redeemable Shares for Subordinate Voting Shares pursuant to the terms specified in the articles of incorporation of MedMen Corp. MedMen Corp Redeemable Shares do not entitle the holders thereof to receive notice of, attend or vote at meetings of the securityholders.

A holder of MedMen Corp Redeemable Shares (other than the Resulting Issuer) has the right to cause MedMen Corp to redeem its MedMen Corp Redeemable Shares. If a holder of MedMen Corp Redeemable Shares (other than the Resulting Issuer) exercises its redemption or exchange right, MedMen Corp will repurchase for cancellation each such MedMen Corp Redeemable Share submitted for redemption or exchange in consideration for either one Subordinate Voting Share or a cash amount equal to the cash settlement amount applicable to such MedMen Corp Redeemable Share, as determined by MedMen Corp; *provided* that MedMen Corp may assign to the Resulting Issuer its rights and obligations to effect a redemption or exchange directly with the redeeming holder. For further details on the rights attached to Subordinate Voting Shares, please see "– *Subordinate Voting Shares*" above.

DESCRIPTION OF UNIT CAPITAL OF MEDMEN

Management of MedMen

Following consummation of the Business Combination, MedMen Corp will be the sole manager of MedMen and will have the exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of MedMen, subject to the terms of the A&R LLC Agreement and applicable laws.

A&R LLC Agreement

The following is a summary of the material provisions set forth in the A&R LLC Agreement to be entered into between MedMen and each of the MedMen Members in accordance with the provisions of the Prior LLC Agreement, which A&R LLC Agreement will amend and restate the Prior LLC Agreement and come into effect on the Closing Date.

Duration

MedMen has perpetual existence and will continue as a limited liability company until and unless MedMen is terminated or dissolved in accordance with the A&R LLC Agreement and the DLLCA.

Purpose of MedMen

The principal purpose and business of MedMen shall be to engage in any lawful act or activity for which a limited liability company may be organized under the DLLCA and to conduct such other activities as may be necessary, advisable, convenient or appropriate to promote or conduct the business of MedMen as set forth herein, including, but not limited to, entering into partnership agreements in the capacity of a general or limited partner, becoming a member of a joint venture or a limited liability company, participating in forms of syndication for investment, owning stock in corporations and the incurring of indebtedness and the granting of liens and security interests on the real and personal property of MedMen.

Management: The Manager

MedMen Corp is the sole manager of MedMen and will manage all of MedMen's operations and activities in accordance with the A&R LLC Agreement. MedMen Corp has the capacity and authority to act as the manager of MedMen.

Subject to the terms of the A&R LLC Agreement and the DLLCA, MedMen Corp has the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of MedMen. Among other things, MedMen Corp is empowered to negotiate, execute and perform all agreements, conveyances or other instruments on behalf of MedMen, and to mortgage, charge or otherwise create a security interest over any or all of the property of MedMen or its subsidiaries, and to sell property subject to such a security interest.

The A&R LLC Agreement provides that, where MedMen Corp is permitted or required to take any action or to make a decision in its "sole discretion", "discretion", with "complete discretion" or any other grant of similar authority and latitude under the A&R LLC Agreement in managing MedMen's operations and activities, MedMen Corp shall be entitled to consider only such interests and factors as it desires, including its own interests and shall, to the fullest extent permitted by the DLLCA, have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of, or factors affecting, MedMen or the other MedMen Members.

Despite the foregoing, MedMen Corp will only be able to take certain types of actions (as set forth in the A&R LLC Agreement) if the same are approved, consented to or directed by a majority of the MedMen Members.

Capital Structure of MedMen and MedMen Corp

Upon the closing of the Business Combination, the capital of MedMen shall initially consist of three classes of units: the interest of MedMen Corp is to be represented by Common Units with the number of issued Common Units immediately following the Business Combination to be equal to the respective number of Subordinate Voting Shares issued and outstanding; provided that such Common Units held by MedMen Corp shall not entitle MedMen Corp to any exchange or redemption rights with respect to such Common Units; the interests of other MedMen Members will be represented by Common Units, pursuant to which all such other MedMen Members shall be entitled to certain exchange rights and redemption rights, as provided in the A&R LLC Agreement. Such Common Units held by such other MedMen Members are referred to herein as "MedMen Redeemable Units." The A&R LLC Agreement shall also authorize the issuance of AO LTIP Units, FV LTIP Units, or other classes or series of membership units issued in accordance with Exhibit A of the A&R LLC Agreement ("**LTIP Units**") to persons who provide services for or on behalf of MedMen, which such LTIP Units shall entitle the holder to certain rights and privileges, including the right to convert such LTIP Units to Common Units, subject to certain restrictions, qualifications and limitations, each as provided in the A&R LLC Agreement.

When the Resulting Issuer issues Subordinate Voting Shares, it may contribute all or a portion of the net proceeds to MedMen Corp in exchange for additional shares of MedMen Corp stock. Upon receipt of any such net proceeds from the Resulting Issuer, MedMen Corp will generally contribute such net proceeds to MedMen as a capital contribution on account of its Common Units. In the event that a new class of shares in the capital of the Resulting Issuer is created, MedMen Corp may create a corresponding new class of MedMen units that has corresponding distribution rights to such new class of Resulting Issuer shares and will cause MedMen to issue new units of such class to MedMen Corp. The Resulting Issuer may contribute all or a portion of the net proceeds from the issuance of any such shares to MedMen Corp and MedMen Corp, upon receipt of such proceeds, will generally contribute such net proceeds to MedMen in exchange for such MedMen units.

If the Resulting Issuer proposes to redeem, repurchase or otherwise acquire any Subordinate Voting Shares for cash, the A&R LLC Agreement requires that MedMen Corp cause MedMen to redeem a corresponding number of Common Units held by MedMen Corp at an aggregate redemption price equal to the aggregate purchase or redemption price of the Subordinate Voting Shares being repurchased or redeemed by the Resulting Issuer (plus any expenses related thereto) and upon such other terms as are the same for the redemption by the Resulting Issuer, and the A&R LLC Agreement further requires that MedMen Corp, immediately prior to such redemption, repurchase or acquisition by the Resulting Issuer, but immediately following the redemption by MedMen, to redeem a corresponding number of shares of MedMen Corp stock held by the Resulting Issuer at an aggregate redemption price equal to the aggregate purchase or redemption price of the Subordinate Voting Shares being repurchased or redeemed by the Resulting Issuer (plus any expenses related thereto) and upon such other terms as are the same for the redemption by the Resulting Issuer.

In the event that any change is effected in the share capital of the Resulting Issuer, MedMen shall undertake all actions requested by MedMen Corp, including a reclassification, distribution, division or recapitalization of the Common Units to maintain at all times the same ratios between the number of Subordinate Voting Shares, the number of MedMen Corp shares and the number of Common Units issued and outstanding immediately prior to any such reclassification, consolidation, split, dividend of securities or other recapitalization including,

without limitation, also effecting a reclassification, consolidation, split, dividend of securities or other recapitalization with respect to, as applicable, the Subordinate Voting Shares, MedMen Corp shares and Common Units.

Exchange Mechanism

A holder of Common Units (other than MedMen Corp) will have the right to cause MedMen to redeem its Common Units. If a holder of Common Units (other than MedMen Corp) exercises its exchange right, MedMen will repurchase for cancellation each such Common Unit submitted for exchange in consideration for either one Subordinate Voting Share or a cash amount equal to the cash settlement amount applicable to such Common Unit, as determined by MedMen Corp; *provided* that MedMen Corp shall have the right to complete such exchange directly with the redeeming holder or may assign to the Resulting Issuer its rights and obligations to effect an exchange directly with the redeeming holder.

Any holder that causes MedMen to redeem its Common Units pursuant to the terms of the A&R LLC Agreement and otherwise fails to comply with the documentation requirements of Code Section 1446, including the requirement that such holder provide to MedMen a properly completed IRS Form W-9 or satisfy another exception as permitted within Code Section 1446, prior to the effective time of any such redemption or exchange, will generally be subject to U.S. withholding tax equal to ten percent (10%) of the fair market value of the Subordinate Voting Shares or the cash, as applicable, to be delivered to such holder pursuant to such redemption or exchange.

Additional Common Units; No Preemptive Rights

Except as described above, the A&R LLC Agreement authorizes MedMen Corp to cause MedMen to issue additional Common Units and securities convertible or exchangeable into Common Units on any terms and conditions of offering and sale as MedMen Corp in its discretion may determine, including with respect to acquisitions by MedMen of additional assets or equity interests in corporations, partnerships, limited liability companies and other entities and with respect to executive compensation. Unless otherwise determined by MedMen Corp, no person or entity shall have preemptive, preferential or any other similar right with respect to the issuances of any interest in MedMen.

LTIP Units

MedMen may issue LTIP Units to new or existing MedMen Members in exchange for services performed or to be performed on behalf of MedMen. LTIP Units are intended to qualify as “profits interests” for U.S. federal income tax purposes in MedMen. Two initial series of LTIP Units designated as AO LTIP Units and FV LTIP Units, respectively, will be established. The number of LTIP Units, AO LTIP Units and FV LTIP Units that may be issued by MedMen shall not be limited.

LTIP Units may, in the sole discretion of MedMen Corp, be issued subject to vesting, forfeiture and additional restrictions on transfer pursuant to the terms of an award, vesting or other similar agreement. The terms of any such award, vesting or similar agreement may be modified by MedMen Corp from time to time in its sole discretion, subject to any restrictions on amendment imposed by the relevant award, vesting or similar agreement or by the terms of any plan pursuant to which the LTIP Units are issued, if applicable.

Unless otherwise specified in the relevant award, vesting or similar agreement, upon the occurrence of any event specified in such an agreement resulting in either the forfeiture of any LTIP Units or the repurchase thereof by MedMen at a specified purchase price, then, upon the occurrence of the circumstances resulting in such forfeiture or repurchase by MedMen, the

relevant LTIP Units shall immediately, and without any further action, be treated as cancelled and no longer outstanding for any purpose or as transferred to MedMen.

Upon the occurrence of certain events, including (A) MedMen making a distribution on all outstanding Common Units in Units, (B) MedMen subdividing the outstanding Common Units into a greater number of Units or combining the outstanding Common Units into a smaller number of Units, or (C) MedMen issuing any Units in exchange for its outstanding Common Units by way of reclassification or recapitalization, then MedMen Corp shall make a corresponding adjustment to the LTIP Units to maintain the same correspondence between the Common Units and LTIP Units as existed prior to the occurrence of any such actions.

A holder of LTIP Units shall have the right, at his or her option, at any time to convert all or a portion of his or her vested LTIP Units as follows:

(1) an AO LTIP Unit that that has become a vested LTIP Unit shall be converted into a number (or fraction thereof) of fully paid and non-assessable Common Units, giving effect to all adjustments (if any) made pursuant to terms of the A&R LLC Agreement equal to the applicable conversion factor as provided in the A&R LLC Agreement; and

(2) a FV LTIP Unit that that has become a vested LTIP Unit shall be converted into a number (or fraction thereof) of fully paid and non-assessable Common Units, giving effect to all adjustments (if any) made pursuant to the terms of the A&R LLC Agreement equal to the applicable conversion factor as provided in the A&R LLC Agreement.

If MedMen or MedMen Corp is a party to any transaction (including without limitation a merger, consolidation, unit exchange, self-tender offer for all or substantially all Common Units or other business combination or reorganization, or sale of all or substantially all of MedMen's assets, but excluding any transaction which constitutes an event requiring an adjustment to the LTIP Units to maintain the same correspondence between the Common Units and the LTIP Units, as described above) as a result of which Common Units shall be exchanged for or converted into the right, or the holders of Common Units shall otherwise be entitled, to receive cash, securities or other property or any combination thereof, then MedMen Corp shall, immediately prior to such transaction, insure the conversion of the maximum number of LTIP Units then eligible for conversion, taking into account any allocations that occur in connection with such transaction or that would occur in connection with such transaction if the assets of MedMen were sold at the applicable price of such transaction or, if applicable, at a value determined by MedMen Corp in good faith using the value attributed to the Common Units in the context of the such transaction (in which case the date of the forced LTIP Unit conversion shall be the effective date of such transaction and the conversion shall occur immediately prior to the effectiveness of such transaction.

LTIP Units will not be redeemable at the option of MedMen; provided, however, that the foregoing shall not prohibit MedMen from repurchasing LTIP Units from the holder thereof if and to the extent that such holder agrees to sell such LTIP Units.

Except as otherwise set forth in the relevant award, vesting or similar agreement or other separate agreement entered into between MedMen and an LTIP Unit holder, and subject to the terms and conditions set forth in the A&R LLC Agreement, on or at any time after an applicable LTIP Unit conversion date each LTIP Unit holder will have the right to require MedMen to redeem all or a portion of the Common Units into which such LTIP Unit holder's LTIP Units were converted in exchange for cash, unless the terms of the A&R LLC Agreement, the relevant award, vesting or similar agreement or other separate agreement entered into between MedMen and the LTIP Unit holder expressly provide that such Common Units are not entitled to such redemption right.

Except as otherwise provided in the A&R LLC Agreement, holders of LTIP Units shall not have the right to vote on any matters submitted to a vote of the MedMen Members.

Subject to the terms of the relevant award, vesting or similar agreement or other documentation pursuant to which LTIP Units are granted, except in connection with the exercise of a redemption, a holder of LTIP Units may not transfer all or any portion of his or her LTIP Units without the prior written consent of MedMen Corp, which consent may be given or withheld in MedMen Corp's sole and absolute discretion.

Transfer of Common Units

Except as permitted by the A&R LLC Agreement, no holder of Common Units may transfer any interest in such Common Units. The A&R LLC Agreement permits a transfer of Common Units pursuant to (i) the prior written approval of MedMen Corp, (ii) certain transactions that cause a change of control of MedMen, (iii) the exercise of exchange or redemption rights by any holder of Common Units, or (iv) certain other limited circumstances. Prior to transferring any Common Units (other than pursuant to certain transactions that cause a change of control of MedMen) the transferring holder of Common Units will cause the transferee to execute a joinder to the A&R LLC Agreement and any other agreements required pursuant to the terms of the A&R LLC Agreement. Any transfer or attempted transfer of any Common Units in violation of any provision of the A&R LLC Agreement shall be void and MedMen shall not record such transfer on its books or treat any purported transferee as the owner of such Common Units for any purpose.

In no event shall any transfer of Common Units be effective to the extent such transfer could, in the reasonable determination of MedMen Corp:

- result in a violation of the Untied States Securities Act of 1933, as amended, or any other applicable federal, state or foreign laws;
- cause an assignment under the United States Investment Company Act of 1940, as amended;
- be a violation of or a default (or an event that, with notice or the lapse of time or both, would constitute a default) under, or result in an acceleration of any indebtedness under, any promissory note, mortgage, loan agreement, indenture or similar instrument or agreement to which MedMen or MedMen Corp is a party; provided that the payee or creditor to whom MedMen or MedMen Corp owes such obligation is not an affiliate of MedMen or MedMen Corp;
- be a transfer to a person who is not legally competent or who has not achieved his or her majority under applicable law (excluding trusts for the benefit of minors);
- cause MedMen to lose its status as a partnership for federal income tax purposes or, without limiting the generality of the foregoing, be effected on or through an "established securities market" or a "secondary market or the substantial equivalent thereof," as such terms are used in Section 1.7704-1 of United States Treasury Regulations;
- cause MedMen or any MedMen Member or MedMen Corp to be treated as a fiduciary under the United States Employee Retirement Income Security Act of 1974, as amended;
- cause MedMen (as determined by MedMen Corp in its sole discretion) to be treated as a "publicly traded partnership" or to be taxed as a corporation pursuant to Section 7704 of the Code or successor provision of the Code; or

- result in MedMen having more than one hundred (100) partners, within the meaning of Treasury Regulations Section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations Section 1.7704-1(h)(3)) in any taxable year that is not a "restricted taxable year" (as defined in the A&R LLC Agreement).

Any holder that transfers its Common Units pursuant to the terms of the A&R LLC Agreement and otherwise fails to comply with the documentation requirements of Code Section 1446, including the requirement that such holder provide to MedMen a properly completed IRS Form W-9 or satisfy another exception as permitted within Code Section 1446, prior to the effective time of any such transfer, will generally be subject to U.S. withholding tax equal to ten percent (10%) of the fair market value of the consideration to be delivered to such holder pursuant to such redemption or exchange.

Power of Attorney

Each MedMen Member who is an individual, including those persons who become MedMen Members in connection with receiving any Common Units, automatically and irrevocably will appoint MedMen Corp, with full power of substitution, as that MedMen Member's agent to execute and file documents or instruments required for, among other things, but subject in each case to the other provisions of the A&R LLC Agreement, the A&R LLC Agreement (or a joinder thereto), all instruments that MedMen Corp deems appropriate or necessary to reflect any amendment, change, modification or restatement of the A&R LLC Agreement, all conveyances and other instruments or documents which MedMen Corp deems appropriate or necessary to reflect the dissolution or liquidation of MedMen pursuant to the terms of the A&R LLC Agreement, all instruments relating to the admission, withdrawal or substitution of a MedMen Member pursuant to the terms of the A&R LLC Agreement, and any other ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the reasonable judgment of MedMen Corp, to evidence, confirm or ratify any vote, consent, approval, agreement, or other action made or given by the MedMen Members in accordance with the terms of the A&R LLC Agreement.

Capital Contributions

Following the issuance of the Common Units to the MedMen Members pursuant to the adoption of the A&R LLC Agreement, the MedMen Members will not be required to make further contributions to MedMen.

Neither MedMen nor MedMen Corp is liable for the return of any capital contribution made by a MedMen Member to MedMen.

Limited Liability of the MedMen Members

Subject to the provisions of the DLLCA and of similar legislation in other jurisdictions of the United States and the A&R LLC Agreement: (i) the liability of each MedMen Member for the debts, liabilities and obligations of MedMen will be limited to the MedMen Member's capital contribution, plus the MedMen Member's share of any undistributed income of MedMen; and (ii) following payment of a MedMen Member's capital contribution, such MedMen Member may be required to return amounts previously distributed to such MedMen Member in accordance with the DLLCA and the laws of the State of Delaware.

Limitation on Authority of the MedMen Members and Limited Liability

The A&R LLC Agreement states that a MedMen Member (in its capacity as a MedMen Member) does not have the authority or power to do any of the following:

- act for or on behalf of MedMen;
- to do any act that would be binding upon MedMen;
- make any expenditure on behalf of MedMen;
- seek or obtain partition by court decree or operation of law of any MedMen property; or
- own or use particular or individual assets of MedMen.

The A&R LLC Agreement provides that MedMen will indemnify each MedMen Member for all liabilities incurred by the MedMen Member that arises solely by reason of such MedMen Member being a member of MedMen.

Distributions

Subject to the provisions set forth in the A&R LLC Agreement, MedMen Corp will cause distributions to be made by MedMen as follows: (i) "distributable cash" (as defined in the A&R LLC Agreement) or other funds or property legally available to the extent permitted by the DLLCA and applicable law, to the MedMen Members pro rata in accordance to each MedMen Member's proportionate ownership interest in MedMen in amounts on terms as MedMen Corp will determine, and (ii) not less than five business days prior to the due date of a U.S. federal income tax return for an individual calendar year taxpayer, cash in an amount equal to the excess of each MedMen Member's "assumed tax liability" (as defined in the A&R LLC Agreement) over distributions previously made to such MedMen Member with respect to each such taxable period.

In no case will MedMen be required to make a distribution if such distribution would violate the DLLCA or any other applicable law.

Amendment of the A&R LLC Agreement

The A&R LLC Agreement may be amended or modified by MedMen Corp as determined to be necessary or advisable, in the sole discretion of MedMen Corp, in connection with the adoption, implementation, modification or termination of certain equity plans by the Resulting Issuer. Subject to the right of MedMen Corp to amend the A&R LLC Agreement in connection with the adoption, implementation, modification or termination of certain equity plans by the Resulting Issuer, unless otherwise specified in the A&R LLC Agreement that a specific amendment requires the approval or action of certain persons, the A&R LLC Agreement may only be amended with the consent of MedMen Corp and MedMen Members holding a majority of the outstanding Common Units.

Merger, Sale or Other Disposition of Assets

MedMen Corp shall have the power and authority to effectuate the sale, lease, transfer, exchange or other disposition of any, all or substantially all of the assets of MedMen (including the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by MedMen) or the merger, consolidation, reorganization or other combination of MedMen with or into another entity.

Treatment of MedMen as a Partnership for U.S. Federal Income Tax Purposes

The MedMen Members intend that MedMen be treated as a partnership for U.S. federal and, if applicable, state or local income tax purposes. Each MedMen Member and MedMen will

file all tax returns and will otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

Dissolution

MedMen will dissolve, and its affairs will be wound up, upon the occurrence of any of the following:

- the decision of MedMen Corp together with the holders of a majority of the then-outstanding Common Units entitled to vote to dissolve MedMen;
- a dissolution of MedMen under the DLLCA; or
- the entry of a decree of judicial dissolution of MedMen under the DLLCA.

Except as otherwise provided in the A&R LLC Agreement, MedMen is intended to have perpetual existence. The withdrawal of a MedMen Member shall not cause a dissolution of MedMen and MedMen shall continue in existence subject to the terms and conditions of the A&R LLC Agreement.

Procedure on Dissolution

Upon dissolution of MedMen, the procedure is as follows:

- the liquidators shall cause a proper accounting to be made by a recognized firm of certified public accountants of MedMen's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;
- the liquidators shall cause the notice described in the DLLCA to be mailed to each known creditor of and claimant against MedMen in the manner described thereunder;
- the liquidators shall pay, satisfy or discharge from MedMen funds, or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidators may reasonably determine): first, all expenses incurred in liquidation; and second, all of the debts, liabilities and obligations of MedMen; and
- all remaining assets of MedMen shall be distributed to the MedMen Members in accordance with the terms of the A&R LLC Agreement by the end of the taxable year during which the liquidation of MedMen occurs (or, if later, by ninety (90) days after the date of the liquidation), which shall constitute a complete return to the MedMen Members of their capital contributions to MedMen, a complete distribution to the MedMen Members of their interest in MedMen and all of MedMen's property. To the extent that a MedMen Member returns funds to MedMen, it has no claim against any other MedMen Member for those funds.

Withdrawal and Removal of the Manager

MedMen Corp may resign as the sole manager of MedMen at any time by giving written notice to the MedMen Members. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the MedMen Members, and the acceptance of the resignation shall not be necessary to make it effective. The MedMen Members have no right under the A&R LLC Agreement to remove or replace MedMen Corp as the sole manager of MedMen. Vacancies

in the position of manager occurring for any reason will be filled by MedMen Corp (or, if MedMen Corp has ceased to exist without any successor or assign, then by the holders of a majority in interest of the voting capital stock of MedMen Corp immediately prior to such cessation).

Indemnification

Under the A&R LLC Agreement, in most circumstances, MedMen will indemnify and hold harmless any person to the fullest extent permitted under the DLLCA, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement only to the extent that such amendment, substitution or replacement permits MedMen to provide broader indemnification rights than MedMen is providing immediately prior to such amendment, substitution or replacement), against all expenses, liabilities and losses (including attorneys' fees, judgments, fines, excise taxes or penalties) reasonably incurred or suffered by such person (or one or more of such person's affiliates) by reason of the fact that such person is or was a MedMen Member or is or was serving at the request of MedMen as the manager, an officer, an employee or another agent of MedMen or is or was serving at the request of MedMen as a manager, member, employee or agent of another limited-liability company, corporation, partnership, joint venture, trust or other enterprise; *provided*, however, that no such person shall be indemnified for actions against MedMen, the Manager or Managers or any other MedMen Members, or which are not made in good faith and not or in a manner which he or she reasonably believed to be in or not opposed to the best interests of MedMen, or, with respect to any criminal action or proceeding other than by or in the right of MedMen, had reasonable cause to believe the conduct was unlawful, or for any present or future breaches of any representations, warranties or covenants by such person or its affiliates as provided in the A&R LLC Agreement or other agreements to which MedMen is a party.

Expenses, including attorneys' fees, incurred by any such person in defending a proceeding shall be paid by MedMen as they are incurred and in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of such person to repay such amount if it is ultimately determined by a court of competent jurisdiction that such person is not entitled to be indemnified by MedMen.

MedMen will maintain directors' and officers' liability insurance, or make other financial arrangements, at its expense, to protect any person indemnified pursuant to the A&R LLC Agreement against certain expenses, liabilities or losses described in the A&R LLC Agreement whether or not MedMen would otherwise have the power to indemnify such person against such expenses, liabilities or losses under the provisions of the A&R LLC Agreement. MedMen shall use its commercially reasonable efforts to purchase directors' and officers' liability insurance (including employment practices coverage) with a carrier and in an amount determined necessary or desirable as determined in good faith by MedMen Corp.

Books and Records

MedMen shall keep, or cause to be kept, appropriate books and records with respect to MedMen's business, including all books and records necessary to provide any information, lists and copies of documents required to be provided to each person who was a MedMen Member during each fiscal year of MedMen as is reasonably necessary for the preparation of such person's U.S. federal and applicable state income tax returns.

Tax Matters

All decisions to make or refrain from making any tax elections will be determined by MedMen Corp. MedMen Corp is authorized to represent MedMen, at MedMen's expense, in connection with all examinations of MedMen's affairs by tax authorities, including resulting administrative and judicial proceedings. Each MedMen Member agrees to cooperate with

MedMen Corp and to do or refrain from doing any or all things with regard to all things reasonably required by MedMen Corp to conduct such proceedings. MedMen Corp shall keep all MedMen Members fully advised on a current basis of any contacts by or discussions with the tax authorities, and the MedMen Members shall have the right to observe and participate through representatives of their own choosing (at their sole expense) in any tax proceedings.

TAX RECEIVABLE AGREEMENT

In connection with the Business Combination, MedMen Corp will enter into a tax receivable agreement with MedMen, the MedMen Members and the MedMen LTIP Unitholders (the "**Tax Receivable Agreement**"). MedMen Corp expects to obtain an increase in its share of the tax basis of the assets of MedMen when a MedMen Member receives cash or Subordinate Voting Shares in connection with a redemption or exchange of such MedMen Member's Common Units for Subordinate Voting Shares or cash (such basis increase, the "**Basis Adjustments**").

The Tax Receivable Agreement provides for the payment by MedMen Corp to MedMen Members and MedMen LTIP Unitholders of 85% of the amount of tax benefits, if any, that MedMen Corp actually realizes, or in some circumstances is deemed to realize, as a result of the redemption and exchange transactions described above, including increases in the tax basis of the assets of MedMen arising from such transactions, tax basis increases attributable to payments made under the Tax Receivable Agreement and deductions attributable to imputed interest and other payments of interest pursuant to the Tax Receivable Agreement. MedMen Corp expects to benefit from the remaining 15% of tax benefits, if any, that MedMen Corp may actually realize.

MedMen intends to treat such acquisition of Common Units as a direct purchase by MedMen of Common Units from a MedMen Member for U.S. federal income and other applicable tax purposes, regardless of whether such Common Units are surrendered by a MedMen Member to MedMen, MedMen Corp or the Resulting Issuer upon the exercise by MedMen Corp of its election to acquire such Common Units directly or the exercise by MedMen Corp to assign its rights to acquire such Common Units directly to the Resulting Issuer. Basis Adjustments may have the effect of reducing the amounts that MedMen Corp may otherwise owe in the future to various tax authorities. The Basis Adjustments may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets. The actual Basis Adjustments, as well as any amounts paid to the MedMen Members under the Tax Receivable Agreement, will vary depending on a number of factors, including:

- the timing of any subsequent redemptions or exchanges—for instance, the increase in any tax deductions will vary depending on the fair value, which may fluctuate over time, of the depreciable or amortizable assets of MedMen at the time of each redemption or exchange;

- the price of Subordinate Voting Shares at the time of redemptions or exchanges—the Basis Adjustments, as well as any related increase in any tax deductions, is directly related to the price of Subordinate Voting Shares at the time of each redemption or exchange;

- the extent to which such redemptions or exchanges are taxable—if a redemption or exchange is not taxable for any reason, increased tax deductions will not be available; and

- the amount and timing of MedMen Corp's income—the Tax Receivable Agreement generally will require MedMen Corp to pay 85% of the tax benefits as and when those benefits are treated as realized under the terms of the Tax Receivable Agreement. If MedMen Corp does not have taxable income, it generally will not be required (absent a

change of control or other circumstances requiring an early termination payment) to make payments under the Tax Receivable Agreement for that taxable year because no tax benefits will have been actually realized. However, any tax benefits that do not result in realized tax benefits in a given taxable year will likely generate tax attributes that may be utilized to generate tax benefits in previous or future taxable years. The utilization of any such tax attributes will result in payments under the Tax Receivable Agreement.

MedMen will have in effect an election under Section 754 of the Code effective for each taxable year in which a redemption or exchange of Common Units for Subordinate Voting Shares or cash occurs. These Tax Receivable Agreement payments are not conditioned upon any continued ownership interest in either MedMen or the Resulting Issuer by any MedMen Member. The rights of each Member under the Tax Receivable Agreement are assignable to transferees of its Common Units (other than MedMen Corp as transferee pursuant to subsequent redemptions or exchanges of the transferred Common Units), subject to the satisfaction of certain requirements.

For purposes of the Tax Receivable Agreement, cash savings in income and franchise taxes will be computed by comparing MedMen Corp's actual income and franchise tax liability to the amount of such taxes that MedMen Corp would have been required to pay had there been no Basis Adjustments and had the Tax Receivable Agreement not been entered into. The Tax Receivable Agreement will generally apply to each taxable year in which the Tax Receivable Agreement remains effective, beginning with the first taxable year ending after the completion of the Business Combination. There is no maximum term for the Tax Receivable Agreement; however, the Tax Receivable Agreement may be terminated by MedMen Corp pursuant to an early termination procedure that requires MedMen Corp to pay the MedMen Members and MedMen LTIP Unitholders an agreed upon amount equal to the estimated present value of the remaining payments to be made under the Tax Receivable Agreement (calculated based on certain assumptions, including regarding tax rates and utilization of the Basis Adjustments).

The payment obligations under the Tax Receivable Agreement are obligations of MedMen Corp and not of the Resulting Issuer or MedMen. The actual timing and amount of any payments that may be made under the Tax Receivable Agreement will vary. Any payments made by MedMen Corp to MedMen Members and MedMen LTIP Unitholders under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to MedMen Corp (or to the Resulting Issuer or MedMen) and, to the extent that MedMen Corp is unable to make payments under the Tax Receivable Agreement for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid by MedMen Corp.

Decisions made by MedMen Corp in the course of running its business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments that are received by a MedMen Member or MedMen LTIP Unitholder under the Tax Receivable Agreement. For example, the earlier disposition of assets following a transaction that results in a Basis Adjustment will generally accelerate payments under the Tax Receivable Agreement and increase the present value of such payments.

The Tax Receivable Agreement provides that if (i) MedMen Corp materially breaches any of its material obligations under the Tax Receivable Agreement, (ii) certain mergers, asset sales, other forms of business combinations, or other changes of control were to occur, or (iii) MedMen Corp elects an early termination of the Tax Receivable Agreement, then MedMen Corp's (or its successor's) obligations under the Tax Receivable Agreement would accelerate and become due and payable, based on certain assumptions, including an assumption that MedMen Corp would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement.

As a result, (i) MedMen Corp could be required to make cash payments to the MedMen Members and MedMen LTIP Unitholders that are greater than the specified percentage of the actual benefits it ultimately realizes in respect of the tax benefits that are subject to the Tax Receivable Agreement, and (ii) if MedMen Corp elects to terminate the Tax Receivable Agreement early, MedMen Corp would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement , which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, MedMen Corp's obligations under the Tax Receivable Agreement could have a material adverse effect on its or the Resulting Issuer's liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations, or other changes of control. There can be no assurance that MedMen Corp will be able to finance its obligations under the Tax Receivable Agreement.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that MedMen Corp determines. If any such position is subject to a challenge by a taxing authority the outcome of which would reasonably be expected to materially affect a recipient's payments under the Tax Receivable Agreement, then MedMen Corp will not be permitted to settle or fail to contest such challenge without the consent (not to be unreasonably withheld or delayed) of each MedMen Member that directly or indirectly owns at least 10% of the outstanding Common Units and LTIP Units. MedMen Corp will not be reimbursed for any cash payments previously made to any MedMen Member pursuant to the Tax Receivable Agreement if any tax benefits initially claimed by MedMen Corp are subsequently challenged by a taxing authority and ultimately disallowed. Instead, in such circumstances, any excess cash payments made by MedMen Corp to a MedMen Member or MedMen LTIP Unitholder will be netted against any future cash payments that MedMen Corp might otherwise be required to make under the terms of the Tax Receivable Agreement. However, MedMen Corp might not determine that it has effectively made an excess cash payment to the MedMen Members or MedMen LTIP Unitholders for a number of years following the initial time of such payment and, if MedMen Corp's tax reporting positions are challenged by a taxing authority, it will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. As a result, it is possible that MedMen Corp could make cash payments under the Tax Receivable Agreement that are substantially greater than its actual cash tax savings.

Payments are generally due under the Tax Receivable Agreement within a specified period of time following the filing of MedMen Corp's U.S. federal income tax return (or, if MedMen Corp becomes a member of an affiliated or consolidated group of corporations that files a consolidated U.S. federal income tax return pursuant to Section 1501 of the Code or any provision of U.S. state or local law, then such consolidated U.S. federal income tax return) for the taxable year with respect to which the payment obligation arises, although interest on such payments will begin to accrue at a rate of LIBOR plus 100 basis points from the due date (without extensions) of such tax return. Any late payments that may be made under the Tax Receivable Agreement will continue to accrue interest at LIBOR plus 500 basis points until such payments are made, including any late payments that MedMen Corp may subsequently make because MedMen Corp did not have enough available cash to satisfy its payment obligations at the time at which they originally arose.

SUPPORT AGREEMENT

Pursuant to the support agreement entered into by and among the Resulting Issuer, MedMen Corp and MedMen (the "**Support Agreement**"), the Resulting Issuer will agree that, so long as any Common Units not owned by MedMen Corp or its affiliates are outstanding or Common Units are issuable pursuant to the exercise, conversion or exchange of any outstanding securities of MedMen, the Resulting Issuer shall:

(a) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit MedMen, in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of a redemption of Common Units by a holder thereof in respect of each issued and outstanding Common Unit upon a redemption of such Common Units by MedMen and, without limiting the generality of the foregoing, take all such actions and do all such things as are necessary or desirable to enable and permit MedMen to cause to be delivered Subordinate Voting Shares and/or amounts in cash, as applicable, to the holders of Common Units in accordance with the provisions of the A&R LLC Agreement, together with an amount in cash sufficient to pay any amount to be paid in respect of unpaid distributions with respect to such Common Units (if any);

(b) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit MedMen Corp, if it elects to effect an exchange of Common Units directly with the holder thereof, in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of the redemption or exchange of Common Units by a holder thereof and, without limiting the generality of the foregoing, take all such actions and do all such things as are necessary or desirable to enable and permit MedMen Corp to cause to be delivered Subordinate Voting Shares and/or amounts in cash, as applicable, to the holders of Common Units in accordance with the provisions of the A&R LLC Agreement, together with an amount in cash sufficient to pay any amount to be paid in respect of unpaid distributions with respect to such Common Units (if any);

(c) if MedMen Corp so elects, take all such actions and do all things as are reasonably necessary or desirable to effect the exchange of Common Units directly with the holder thereof, in accordance with applicable law, take all such actions and do all such things as are necessary or desirable to cause to be delivered directly Subordinate Voting Shares and/or amounts in cash, as applicable, to the holders of Common Units in accordance with the provisions of the A&R LLC Agreement, together with an amount in cash sufficient to pay any amount to be paid in respect of unpaid distributions with respect to such Common Units (if any); and

(d) ensure that MedMen Corp does not exercise its vote as the manager of MedMen to initiate the voluntary liquidation, dissolution or winding up of MedMen nor take any action or omit to take any action that is designed to result in the liquidation, dissolution or winding-up of MedMen.

The Resulting Issuer will further agree that, so long as any MedMen Corp Redeemable Shares not owned by the Resulting Issuer or its affiliates which are redeemable or exchangeable for Subordinate Voting Shares are outstanding or any MedMen Corp Redeemable Shares are issuable pursuant to the exercise, conversion or exchange of any outstanding securities of MedMen Corp, the Resulting Issuer shall:

(a) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit MedMen Corp, in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of a redemption of MedMen Corp Redeemable Shares by a holder thereof in respect of each issued and outstanding MedMen Corp Redeemable Share upon the redemption of such MedMen Corp Redeemable Shares by MedMen Corp and, without limiting the generality of the foregoing, take all such actions and do all such things as are necessary or desirable to enable and permit MedMen Corp to cause to be delivered Subordinate Voting Shares and/or amounts in cash, as applicable, to the holders of MedMen Corp Redeemable Shares in accordance with the articles of incorporation and bylaws of MedMen Corp,

together with an amount in cash sufficient to pay any amount to be paid in respect of unpaid distributions with respect to such MedMen Corp Redeemable Shares (if any);

(b) upon the election of MedMen Corp for the Resulting Issuer to effect an exchange directly with a holder of MedMen Corp Redeemable Shares, take all such actions and do all things as are reasonably necessary or desirable to effect the exchange of MedMen Corp Redeemable Shares directly with the holder thereof, in accordance with applicable law, without limiting the generality of the foregoing, take all such actions and do all such things as are necessary or desirable to cause to be delivered directly Subordinate Voting Shares and/or amounts in cash, as applicable, to the holders of MedMen Corp Redeemable Shares in accordance with the provisions of the articles of incorporation of MedMen Corp, together with an amount in cash sufficient to pay any amount to be paid in respect of unpaid distributions (if any) with respect to such MedMen Corp Redeemable Shares; and

(c) ensure that MedMen Corp is not voluntarily liquidated, dissolved or wound up nor take any action or omit to take any action that is designed to result in the liquidation, dissolution or winding-up of MedMen Corp.

The Support Agreement provides that in the event that a tender offer, share exchange offer, issuer bid, take-over bid or similar transaction with respect to Subordinate Voting Shares is proposed by the Resulting Issuer or is proposed to the Resulting Issuer or its shareholders and is recommended to the Resulting Issuer Board, or is otherwise effected or to be effected with the consent or approval of the Resulting Issuer Board, and the Common Units are not redeemed by MedMen or purchased by MedMen Corp or the Resulting Issuer pursuant to the terms of the A&R LLC Agreement or the MedMen Corp Redeemable Shares are not redeemed by MedMen Corp or purchased by MedMen Corp or the Resulting Issuer pursuant to the terms of the articles of incorporation of MedMen Corp, the Resulting Issuer will use its reasonable efforts in good faith to take all such actions and do all such things as are necessary or desirable to enable and permit holders of Common Units (other than MedMen Corp and its affiliates) and MedMen Corp Redeemable Shares (other than the Resulting Issuer and its affiliates) to participate in such offer to the same extent and on an economically equivalent basis as the holders of Subordinate Voting Shares, without discrimination. Without limiting the generality of the foregoing, the Resulting Issuer will use its reasonable efforts in good faith to ensure that holders of Common Units and MedMen Corp Redeemable Shares may participate in each such offer without being required to redeem Common Units as against MedMen and MedMen Corp Redeemable Shares against MedMen Corp (or, if so required, to ensure that any such retraction, shall be effective only upon, and shall be conditional upon, the closing of such offer and only to the extent necessary to tender or deposit to the offer). Nothing in the Support Agreement will limit the ability of the Resulting Issuer (or any of its subsidiaries including, without limitation, MedMen Corp or MedMen) to make ordinary market purchases of Subordinate Voting shares in accordance with applicable laws and regulatory and stock exchange requirements.

The Support Agreement provides that while any Common Units (or other rights pursuant to which Common Units may be acquired upon the exercise thereof) other than Common Units held by MedMen Corp or its affiliates are outstanding, and at all times while any MedMen Corp Redeemable Shares (or other rights pursuant to which MedMen Corp Redeemable Shares may be acquired upon the exercise thereof) other than MedMen Corp Redeemable Shares held by the Resulting Issuer or its affiliates are outstanding, the Resulting Issuer will make available such number of Subordinate Voting Shares (or other shares or securities into which Subordinate Voting Shares may be reclassified or changed) without duplication equal to the sum of (i) the number of Common Units issued and outstanding from time to time; (ii) the number of Common Units issuable upon the exercise of all rights to acquire Common Units outstanding from time to time; (iii) the number of MedMen Corp Redeemable Shares issued and outstanding from time to time; and (iv) the number of MedMen Corp Redeemable Shares issuable upon the exercise of all

rights to acquire MedMen Corp Redeemable Shares outstanding from time to time in addition to any additional Subordinate Voting Shares as may be required to enable and permit the Resulting Issuer to meet its obligations under the A&R LLC Agreement, the Tax Receivable Agreement and under any other security or commitment pursuant to which the Resulting Issuer may be required to deliver Subordinate Voting Shares to any person, to enable and permit MedMen Corp to meet its obligations under each of the A&R LLC Agreement and the Tax Receivable Agreement with respect to the delivery of Subordinate Voting Shares and payment of the tax benefits contemplated under the Tax Receivable Agreement and to enable and permit MedMen to meet its obligations under the Support Agreement and under the A&R LLC Agreement.

With the exception of changes for the purpose of (i) adding to the covenants of any or all of the parties, (ii) making such amendments or modifications not inconsistent with the Support Agreement as may be necessary or desirable with respect to matters or questions arising thereunder, or (iii) curing or correcting any ambiguities or defect or inconsistent provision or clerical omission or mistake or manifest errors (provided, in the case of (i), (ii) or (iii) that the board of directors of each of the Resulting Issuer and MedMen Corp and the manager of MedMen are of the good faith opinion that such amendments are not prejudicial to the rights or interests of the holders of Common Units or MedMen Corp Redeemable Shares), the Support Agreement may not be amended except by agreement in writing executed by MedMen, MedMen Corp, and the Resulting Issuer and approved by the holders of a majority of the Common Units in accordance with the terms of the A&R LLC Agreement and a majority of the MedMen Corp Redeemable Shares in accordance with the terms of the articles of incorporation and the bylaws of MedMen Corp.

PRIOR SALES

The following table summarizes issuances by the Resulting Issuer of Subordinate Voting Shares or Ladera Shares in the 12 months prior to the date hereof:

Date	Number/Type of Securities	Issue/Exercise Price per Security
March 7, 2018	863,716 Ladera Subscription Receipts[(1)]	C$0.695[(1)]
May 28, 2018	27,301,729 Subordinate Voting Shares[(2)]	C$5.25
May 28, 2018	24,155 Subordinate Voting Shares[(3)]	C$5.25
May 28, 2018	2,415,485 warrants[(4)]	C$5.25
May 28, 2018	8,306,271 options[(5)]	C$5.25

Notes:

(1) Ladera completed the Ladera Subscription Receipt Offering to raise C$600,000 through the issuance of 8,000,000 Ladera Subscription Receipts at a price of C$0.075 per subscription receipt. On May 28, 2018, each Ladera Subscription Receipt automatically converted into one unit of Ladera for no additional consideration. Each unit consisted of one Ladera Share and one share purchase warrant, with each share purchase warrant being cancelled in connection with the Business Combination. The number of Ladera Subscription Receipts and the price per Ladera Subscription Receipt are presented giving effect to the Consolidation.
(2) Subordinate Voting Shares issued as a result of the SR Offering. See Section 3 of this Listing Statement.
(3) Issued in satisfaction of amounts owed in respect of consulting services.
(4) Warrants issued to a consultant. Each warrant is exercisable for one Subordinate Voting Share at an exercise price of C$5.25 per share.
(5) See Section 9 of this Listing Statement.

11. Escrowed Securities

Not Applicable.

12. Principal Shareholders

The following table sets forth, to the best of the Resulting Issuer's knowledge, as of the date hereof, the persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the Super Voting Shares.

Name of Securityholder Jurisdiction of Residence	Type of Ownership	Number and Percentage of Super Voting Shares
Adam Bierman California, United States	Beneficial and of Record	815,295 / 50%[(1)]
Andrew Modlin California, United States	Beneficial and of Record	815,295 / 50%[(2)]

Notes:

(1) Expressed on a non-diluted basis. On a fully-diluted basis, which would involve assuming the vesting of all LTIP Units issued to Mr. Bierman as of the date hereof and conversion of the same into Common Units, the number and percentage of Super Voting Shares beneficially owned, controlled or directed, directly or indirectly, by Mr. Bierman would be 1,008,534 and 50%.

(2) Expressed on a non-diluted basis. On a fully-diluted basis, which would involve assuming the vesting of all LTIP Units issued to Mr. Modlin as of the date hereof and conversion of the same into Common Units, the number and percentage of Super Voting Shares beneficially owned, controlled or directed, directly or indirectly, by Mr. Modlin would be 1,008,534 and 50%.

13. Directors and Officers

The following table sets out, for each of the Resulting Issuer's directors and executive officers, the person's name, age, state and country of residence, position with the Resulting Issuer, principal occupation(s) during the last five (5) years, and, if an existing officer of MedMen prior to the Business Combination, the date on which the person became such an officer. The Resulting Issuer's directors were elected as such at the Meeting and are expected to hold office until its next annual general meeting of shareholders unless they resign prior thereto or are removed by the shareholders of the Resulting Issuer. The Resulting Issuer's directors will be elected annually and, unless re-elected, will retire from office at the end of the next annual general meeting of shareholders.

The size of the initial Resulting Issuer Board is seven (7) directors. As only five (5) directors were elected at the Meeting, there is a vacancy of two (2) directors on the Resulting Issuer Board. The Resulting Issuer Board intends to fill such vacancies soon with appropriately qualified individuals, which individuals the Resulting Issuer is in the process of identifying.

Under NI 52-110, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Resulting Issuer Board, be reasonably expected to interfere with a director's exercise of independent judgment. Adam Bierman, Andrew Modlin and Lisa Sergi Trager, officers of the Resulting Issuer, are not considered independent and Mark Hutchison and Andrew Rayburn are considered independent.

Directors and Executive Officers

Name and State and Country of Residence	Age	Position(s) with the Resulting Issuer	MedMen Officer Since	Principal Occupation(s)	Number of Securities of Resulting Issuer, MedMen Corp and MedMen Directly or Indirectly Held
Adam Bierman California, United States	36	Chief Executive Officer and Director	January 2018	Chief Executive Officer of MedMen (July 2016 to Present); Chief Executive Officer of MMMG, LLC (2014-2016)	815,295 Super Voting Shares 40,764,747 MedMen Corp Redeemable Shares[4] 9,661,939 LTIP Units
Andrew Modlin California, United States	31	President and Director	January 2018	President of MedMen (July 2016 to Present); President of MMMG, LLC (2014-2016)	815,295 Super Voting Shares 40,764,747 MedMen Corp Redeemable Shares[4] 9,661,939 LTIP Units
James Parker California, United States	40	Chief Financial Officer	January 2018	Chief Financial Officer of MedMen (July 2017 to Present); First Vice President of BHI, USA (Commercial Bank) (2016-2017); Managing Partner of Leonid Capital (2014-2016); Managing Director of ADC Advisory (2011-2014)	603,871 Common Units 4,227,098 LTIP Units
Christopher Ganan California, United States	36	Chief Strategy Officer	January 2018	Chief Strategy Officer of MedMen (July 2016 to Present); Chief Strategy Officer of MMMG, LLC (May 2015 to July 2016); Founder of Asset Avenue (2014-2015); Cohn Reznick LLP (2011-2014)	10,057,248 MedMen Corp Redeemable Shares[4] 724,645 Common Units 6,038,712 LTIP Units
Lisa Sergi Trager[1] California, United States	52	General Counsel and Director	April 2018	General Counsel and SVP of MedMen (April 2018 to Present); Senior Investment Management Principal of Deloitte Tax, LLP (2014-2018); Partner of Rothstein Kass (2012-2014)	241,548 Common Units 724,645 LTIP Units
Mark Hutchison[2] California, United States	65	Director	N/A	Partner of Armanino (2016 to Present); Partner of NKSFB, LLC (2015-2016); Partner of Rothstein Kass, LLP (2006-2015)	Nil
Andrew Rayburn[3] Ohio, United States	63	Director	N/A	Chief Executive Officer of Big Game Capital (2000 to Present); Chief Executive Officer of Buckeye Relief, a company that is seeking to become a medical cannabis producer in Ohio (2017 – Present)	Nil

Notes:

(1) Ms. Sergi Trager is a member of the Resulting Issuer Audit Committee.
(2) Mr. Hutchison is the Chair of the Resulting Issuer Audit Committee.
(3) Mr. Rayburn is a member of the Resulting Issuer Audit Committee.
(4) The holder is a unitholder of one or more funds that holds MedMen Corp Redeemable Shares. The aggregate number of MedMen Corp Redeemable Shares specified as being held is based on the holder's percentage economic interest of the applicable fund multiplied by the number of MedMen Corp Redeemable Shares held by such fund.

Biographies

The following are brief profiles of the Resulting Issuer's executive officers and directors.

***Adam Bierman**, Chief Executive Officer and Director*

Mr. Bierman is an outspoken advocate of institutional practices, professional standards, and clear and reasonable regulations that will take the cannabis industry to its next, mainstream phase. He has been featured on several news outlets including CNBC, Bloomberg News, Forbes, CNN, Time Magazine, the Los Angeles Times, U.S. News & World Report, among others. Mr. Bierman and business partner Andrew Modlin started the primary businesses that were recapitalized into the business of MedMen in early 2018. The two visionary entrepreneurs saw not just a tremendous business opportunity in the growing legalization of marijuana, but a chance to re-define society's relationship with cannabis.

***Andrew Modlin**, President and Director*

Mr. Modlin is the main architect behind the brand and its mainstreaming marijuana message. He is the recipient of the prestigious American Marketing Association's "Emerging Leaders Award." Mr. Modlin is also credited with several innovations in cannabis operations; from cultivation to manufacturing and retail, and oversees all operational aspects of the enterprise. Mr. Modlin and business partner Adam Bierman started the primary businesses that were recapitalized into the business of MedMen in early 2018. The two visionary entrepreneurs saw not just a tremendous business opportunity in the growing legalization of marijuana, but a chance to re-define society's relationship with cannabis.

***James Parker**, Chief Financial Officer*

Mr. Parker is a seasoned executive with extensive, high level experience in strategic overhaul, business planning and forecasting. He has held senior level positions in consulting, investment and banking. Prior to joining MedMen, Mr. Parker provided interim executive management services to Alvarez & Marsal and was a private equity professional with Leonid Capital. His experience includes operational restructuring and performance optimization across multiple industries, including manufacturing, technology, commercial services, and aerospace and defense.

***Christopher Ganan**, Chief Strategy Officer*

Mr. Ganan brings vast institutional experience in business operations, private equity, investment banking, real estate and FinTech. Mr. Ganan was instrumental in MedMen's capital formation and guides its investment and real estate strategy, ensuring the company continues to grow its footprint in North America's most strategic cannabis markets. Previously, Mr. Ganan was managing member of Cratus Equity, a private investment firm. He has also worked for Alvarez & Marsal, CohnReznick, and Investments Limited.

***Lisa Sergi Trager**, General Counsel and Director*

Ms. Trager has over two decades of experience in U.S. and international tax planning and compliance for alternative investment vehicles and their principals. She has worked with hundreds of investment partnerships and her clients have included domestic and international investment funds that have ranged from startups to mature organizations. Ms. Trager was a principal at global consulting firms Deloitte and a partner at Rothstein Kass, and practiced law at O'Melveny & Myers, an international law firm. She is a legal expert on alternative investments and holds a Juris Doctorate from UCLA School of Law.

***Mark Hutchison**, Director*

Mr. Hutchison has over 25 years of experience as a tax expert in the entertainment industry, real estate, personal financial planning, and mergers and acquisitions. He is at tax partner at Armanino LLP, the largest independent accounting and business consulting firm based in California. Prior to joining Armanino, Mr. Hutchison was a tax partner at Rothstein Kass, and served in a variety of roles at KPMG, including 18 years as partner. He is a published author and a member of the Motion Picture and Television Tax Institute.

***Andrew Rayburn**, Director*

Mr. Rayburn is principal and founder of Big Game Capital, a private investment firm that provides financial capital and operational, hands-on leadership. Since 2000, Big Game Capital has invested in equity interests in the 2016 NBA Championship franchise the Cleveland Cavaliers, two minor league baseball teams, and the 10,000 Lakes Music Festival. Additionally, Mr. Rayburn is also founder and Chief Executive Officer of Buckeye Relief, a company that is seeking to become a medical cannabis producer in Ohio and is currently building a state-of-the-art cultivation facility. Previously, Mr. Rayburn was president and owner of Flexalloy Inc., an industrial distribution company, which he sold to start Big Game Capital. He is a graduate of Dartmouth College.

None of the Resulting Issuer's directors or executive officers has, within the 10 years prior to the date of this Listing Statement, been a director, chief executive officer or chief financial officer of any company (including the Resulting Issuer) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

None of the Resulting Issuer's directors or executive officers has, within the 10 years prior to the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such director or executive officer, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of the Resulting Issuer has: (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision

To the best of the Resulting Issuer's knowledge, there are no known existing or potential material conflicts of interest among the Resulting Issuer or a subsidiary of the Resulting Issuer and a director or officer of the Resulting Issuer or a subsidiary of the Resulting Issuer as a result of their outside business interests except that certain of the Resulting Issuer's or its subsidiaries' directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

14. Capitalization

Issued Capital

	Number of Securities (non-diluted)	*Number of Securities (fully-diluted)*	*%of Issued (non-diluted)*	*% of Issued (fully diluted)*
Public Float				
Total outstanding (A)	28,775,175	464,167,789	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	13,119,585	127,593,797	45.6%	27.5%
Total Public Float (A-B)	15,655,590	336,573,990	54.4%	72.5%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	0	384,840,371[(1)]	0%	82.9%
Total Tradeable Float (A-C)	28,775,175	79,327,418	100%	17.1%

Note:

(1) 81,529,494 Subordinate Voting Shares are issuable to persons that are control persons. Approximately 384,840,371 underlying Subordinate Voting Shares (and the associated MedMen Corp Redeemable Shares) are subject to contractual restrictions on transfer for 180 days following the listing date.

Public Securityholders (Registered)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	57	1,110
100 – 499 securities	8	2,351
500 – 999 securities	0	0
1,000 – 1,999 securities	4	4,217
2,000 – 2,999 securities	2	4,776
3,000 – 3,999 securities	1	3,235
4,000 – 4,999 securities	0	0
5,000 or more securities	159	15,639,901
	199	15,655,590

Public Securityholders (Beneficial)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	314	50,992
100 – 499 securities	107	262,672
500 – 999 securities	0	0
1,000 – 1,999 securities	9	13,034
2,000 – 2,999 securities	7	16,134
3,000 – 3,999 securities	4	19,519
4,000 – 4,999 securities	13	62,383
5,000 or more securities	163	15,230,590
	617	15,655,590

Non-Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	4	13,119,585
	4	13,119,585

Convertible Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	**Number of convertible / exchangeable securities outstanding**	**Number of listed securities issuable upon conversion / exercise**
Warrants to acquire Subordinate Voting Shares at an exercise price equal to C$5.25, subject to vesting and certain other conditions.	N/A	Up to a number of Subordinate Voting Shares equal to US$10 million divided by C$5.25 at an exercise price equal to C$5.25. At an exchange rate of C$1=US$0.788563, 2,415,485 Subordinate Voting Shares would be issuable.
MedMen Corp Redeemable Shares, each such share ultimately redeemable by the holder for one Subordinate Voting Share	381,986,983	381,986,983
Warrants of MedMen Corp exercisable for MedMen Corp Redeemable Shares at an exercise price of US$3.10 per share for a period of 90 days from and including the date of conversion of their corresponding MedMen Convertible Note, being May 28, 2018, each such MedMen Corp Redeemable Share ultimately redeemable by the holder for one Subordinate Voting Share	6,060,426	6,060,426
Warrants of MedMen Corp exercisable for MedMen Corp Redeemable Shares at an exercise price of US$4.14 per MedMen Corp Redeemable Share for 12 months from the listing date, each such MedMen Corp Redeemable Share ultimately redeemable by the holder for one Subordinate Voting Share	2,358,097	2,358,097
Convertible Notes of MedMen Corp. in the principal amount of US$5,000,000, convertible into MedMen Corp Redeemable Shares at a conversion price of	US$5,000,000	1,587,302

US$3.15 per share within three (3) months of May 10, 2018, each such MedMen Corp Redeemable Share ultimately redeemable by the holder for one Subordinate Voting Share		
Warrants of MedMen Corp. exercisable for MedMen Corp Redeemable Shares at an exercise price of US$3.15 per share within sixty (60) months from May 10, 2018, each such MedMen Corp Redeemable Share ultimately redeemable by the holder for one Subordinate Voting Share	793,651	793,651
LTIP Units of MedMen, for which the holder shall have the right, at his or her option, at any time to convert all or a portion of his or her vested LTIP Units into Redeemable Units of MedMen, each of which are ultimately redeemable by the holder for one Subordinate Voting Share	30,314,334	30,314,334
Redeemable Units of MedMen, each of which are ultimately redeemable by the holder for one Subordinate Voting Share	1,570,065	1,570,065

15. Executive Compensation

Named Executive Officers

For the purposes of this section, the "Named Executive Officers" or "NEOs" are the Chief Executive Officer and Chief Financial Officer of the Resulting Issuer and the anticipated most highly compensated executive officer of the Resulting Issuer (other than the Chief Executive Officer and Chief Financial Officer), being Adam Bierman (the Chief Executive Officer), Andrew Modlin (the President), and James Parker (the Chief Financial Officer). The biographies of each of the NEOs are set out under Section 13 above. Additional details regarding the compensation anticipated to be paid to the NEOs are set out below in this section.

Compensation of Executives

The Resulting Issuer's compensation practices will be designed to retain, motivate and reward its executive officers for their performance and contribution to the Resulting Issuer's long-term success. The Resulting Issuer Board will seek to compensate the Resulting Issuer's executive officers by combining short and long-term cash and equity incentives. It will also seek to reward the achievement of corporate and individual performance objectives, and to align executive officers' incentives with shareholder value creation. The Resulting Issuer Board will seek to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. The Resulting Issuer Board will also seek to set company performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

The independent directors of the Resulting Issuer will review and recommend the executive compensation arrangements and the employment agreements for the Chief Executive Officer, President, Chief Financial Officer and Chief Strategy Officer. The ultimate decision will rest with the Chief Executive Officer in all cases.

Benchmarking

The executive team is expected to establish an appropriate comparator group for purposes of setting the future compensation of the NEOs.

Elements of Compensation

The compensation of the NEOs will include three major elements: (a) base salary, (b) an annual, discretionary cash bonus, and (c) long-term equity incentives, consisting of LTIP Units and stock options and other applicable awards granted under the New Equity Incentive Plan and any other equity plan that may be approved by the Resulting Issuer Board. These three principal elements of compensation are described below.

Base Salary

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to the Resulting Issuer's success, the position and responsibilities of the NEOs and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

Annual Cash Bonus

Annual bonuses will be awarded based on qualitative and quantitative performance standards, and will reward performance of the NEO individually. The determination of an NEO's performance may vary from year to year depending on economic conditions and conditions in the marijuana industry, and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance.

LTIP Units

The A&R LLC Agreement provides for the allocation by MedMen of LTIP Units from time to time to officers of the Resulting Issuer. For further details in respect of the A&R LLC Agreement, including the LTIP Units issuable pursuant thereto, please see Section 10 above.

New Equity Incentive Plan

In connection with the Business Combination, Ladera Shareholders approved the New Equity Incentive Plan at the Meeting. For further details in respect of the New Equity Incentive Plan, please see Section 9 above.

Pension Plan Benefits

The Resulting Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Employment, Termination and Change of Control Benefits

MedMen has adopted and approved executive employment agreements for Adam Bierman (Co-Founder and Chief Executive Officer of MedMen), Andrew Modlin (Co-Founder and President of MedMen) and James Parker (Chief Financial Officer of MedMen). These executive officers of MedMen are executive officers of the Resulting Issuer and are expected to be the NEOs of the Resulting Issuer. Details regarding the compensation anticipated to be paid to the NEOs under such executive employment agreements are set out below.

***Adam Bierman**, Chief Executive Officer*

Mr. Bierman co-founded the primary businesses that were recapitalized into the business of MedMen in early 2018. Under the terms of his four-year employment contract, Mr. Bierman is entitled to an annual salary of US$1,500,000. In accordance with the terms of Mr. Bierman's employment contact, he received 9,661,939 LTIP Units that were issued based upon the SR Offering Price, 25% of which vested immediately on issuance (as of May 17, 2018) and the remaining 75% of which will vest ratably, on a monthly basis, beginning on May 17, 2018 and concluding with all such LTIPs being fully vested as of March 15, 2020. All of the unearned LTIP Units would immediately vest if Mr. Bierman's employment is terminated without Cause.

Mr. Bierman's salary will be reviewed annually. Mr. Bierman may be eligible under the terms of his employment contract for a discretionary annual cash bonus and he may also be eligible to receive additional equity based compensation.

Mr. Bierman's employment contract provides for the payment of severance in the event of termination without Cause in the following manner: three (3) times Mr. Bierman's annual salary plus five (5) times his annual targeted bonus and a lump sum payment of US$250,000 to be paid on the first day of the month following the termination date. Post-termination, Mr. Bierman will continue to benefit from MedMen's executive protection policy for a period of three (3) years.

In the event the enterprise value of the Resulting Issuer exceeds US$2 billion at any time, Mr. Bierman will be granted a US$4,000,000 cash bonus.

***Andrew Modlin**, President*

Mr. Modlin co-founded the primary businesses that were recapitalized into the business of MedMen in early 2018. Under the terms of his four-year employment contract, Mr. Modlin is entitled to an annual salary of US$1,500,000. In accordance with the terms of Mr. Modlin's employment contact, he received 9,661,939 LTIP Units that were issued based upon the SR Offering Price, 25% of which vested immediately on issuance (as of May 17, 2018) and the remaining 75% of which will vest ratably, on a monthly basis, beginning on May 17, 2018 and concluding with all such LTIPs being fully vested as of March 15, 2020. All of the unearned LTIP Units would immediately vest if Mr. Modlin's employment is terminated without Cause.

Mr. Modlin's salary will be reviewed annually. Mr. Modlin may be eligible under the terms of his employment contract for a discretionary annual cash bonus and he may also be eligible to receive additional equity based compensation.

Mr. Modlin's employment contract provides for the payment of severance in the event of termination without Cause in the following manner: three (3) times Mr. Modlin's annual salary plus five (5) times his annual targeted bonus and a lump sum payment of US$250,000 to be paid on the first day of the month following the termination date. Post-termination, Mr. Modlin will continue to benefit from MedMen's executive protection policy for a period of three (3) years.

In the event the enterprise value of the Resulting Issuer exceeds US$2 billion at any time, Mr. Modlin will be granted a US$4,000,000 cash bonus.

***James Parker**, Chief Financial Officer*

Mr. Parker joined a predecessor business of MedMen in 2017. Under the terms of his four-year employment contract, Mr. Parker is entitled to an annual salary of US$750,000. In accordance with the terms of Mr. Parker's employment contact, he received 603,871 MedMen Redeemable Units that were issued based upon the SR Offering Price and 4,227,098 LTIP Units that were issued based upon the SR Offering Price, one-seventh of which vested immediately on issuance (as of May 17, 2018) and the remaining six-sevenths of which will vest ratably, on a monthly basis, beginning on May 17, 2018 and concluding with all such LTIPs being fully vested as of March 15, 2020. All of the unearned LTIP Units would immediately vest if Mr. Parker's employment is terminated without Cause.

Mr. Parker's salary will be reviewed annually. Mr. Parker may be eligible under the terms of his employment contract for a discretionary annual cash bonus and he may also be eligible to receive additional equity based compensation.

Mr. Parker's employment contract provides for the payment of severance in the event of termination without Cause in the following manner: three (3) times Mr. Parker's annual salary plus two (2) times his annual targeted bonus and a lump sum payment of US$250,000 to be paid on the first day of the month following the termination date. Post-termination, Mr. Parker will continue to benefit from MedMen's executive protection policy for a period of six (6) months.

In the event the enterprise value of the Resulting Issuer exceeds US$2 billion at any time, Mr. Parker will be granted a US$2,500,000 cash bonus.

General

Under each NEO's executive employment agreement, "Cause" for termination purposes is defined as: (a) material violation of MedMen's policies, including the disclosure or misuse of

confidential information, or those set forth in manuals or statements of policy issued by MedMen, or (b) serious neglect or misconduct in the performance of the employee's duties or willful or repeated failure or refusal to perform such duties. If Cause is alleged, the employees will be provided an opportunity to cure the Cause allegation within ninety (90) days of receiving the initial notice alleging Cause.

Pursuant to each NEO's executive employment agreement, each NEO shall also receive the following benefits: (a) vacation time to the extent permitted by law, (b) health insurance and related benefits for the employee's spouse and dependents, including disability benefits, (c) executive insurance coverage and indemnification for claims arising against the NEO in relation to his employment, and (d) personal security pursuant to MedMen's executive protection policy, as determined to be appropriate from time to time in the circumstances of the NEO.

Upon the death of any of the NEOs, the then-current spouse of such NEO shall receive death benefits equal to two times the NEO's then-current salary and the maximum annual bonus paid to that NEO over the previous five (5) years prior to his death, such amounts to be split in half and paid to the spouse on the first day of the second month of the NEO's death, with the remaining half paid on the one (1) year anniversary of the first payment. The remainder of the deceased NEO's equity grants that have not yet vested will also become fully vested upon death and be transferred to the spouse on the first day of the second month of the NEO's death.

Director Compensation

It is anticipated that the Resulting Issuer will pay compensation to its directors in the form of annual fees for attending meetings of the Resulting Issuer Board. Directors may receive additional compensation for acting as chairs of committees of the Resulting Issuer Board. Directors will also be entitled to receive stock options and other applicable awards in accordance with the terms of the New Equity Incentive Plan and the CSE requirements and will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Resulting Issuer Board, committees of the Resulting Issuer Board or meetings of the shareholders of the Resulting Issuer. It is also anticipated that the Resulting Issuer will obtain customary insurance for the benefit of its directors and enter into indemnification agreements with its directors pursuant to which the Resulting Issuer will agree to indemnify its directors to the extent permitted by applicable law.

16. Indebtedness of Directors and Executive Officers

No indebtedness is owing to the Resulting Issuer from any of its directors or executive officers or any associate of such person, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer or any of its subsidiaries.

17. Risk Factors

The following are certain factors relating to the business of the Resulting Issuer. These risks and uncertainties are not the only ones facing the Resulting Issuer. Additional risks and uncertainties not presently known to the Resulting Issuer or currently deemed immaterial by the Resulting Issuer, may also impair the operations of the Resulting Issuer. If any such risks actually occur, shareholders of the Resulting Issuer could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

The acquisition of any of the securities of the Resulting Issuer is speculative, involving a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Resulting Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Resulting Issuer Shareholders should evaluate carefully the following risk factors associated with the Resulting Issuer's securities, along with the risk factors described elsewhere in this Listing Statement.

The following table is intended to assist readers in indentifying those parts of this Listing Statement that address the disclosure expectations outlined in Staff Notice 51-352 (Revised) Issuers with U.S. Marijuana-Related Activities issued by the Canadian Securities Administrators for issuers that currently have marijuana-related activities in U.S. states where such activity has been authorized within a state regulatory framework.

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Listing Statement Cross Reference
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	*Section 4 – Narrative Description of the Business*
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk.	*Cover Page* (disclosure in bold typeface)
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.	*Section 4 – Narrative Description of the Business – United States Regulatory Environment – Federal Regulatory Environment*
	Outline related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.	*Section 17 – Risk Factors – Service Providers*
	Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both public and private capital and indicate what financing options are / are not available in order to support continuing operations.	*Section 17 – Risk Factors – Additional Financing* *Section 17 – Risk Factors – Anti-Money Laundering Laws and Regulations*
	Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana related activities.	Section 5 – Selected Consolidated Financial Information Schedules "A" through to "D" to the Listing Statement. **Note: at the time of the Listing Statement, the major operations of the Resulting Issuer are only in the United States**
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	Not applicable.
U.S. Marijuana Issuers with direct involvement in	Outline the regulations for U.S. states in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the	*Section 4 – Narrative Description of the Business – United States Regulatory Environment – California*

cultivation or distribution	applicable U.S. state.	*Section 4 – Narrative Description of the Business – United States Regulatory Environment – Nevada* *Section 4 – Narrative Description of the Business – United States Regulatory Environment – New York*
	Discuss the issuer's program for monitoring compliance with U.S. state law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's licence, business activities or operations.	*Section 4 – Narrative Description of the Business – Compliance Program* *Section 17 – Risk Factors – Risk of Legal, Regulatory or Political Change*
	Outline the regulations for U.S. states in which the issuer's investee(s) operate.	*Section 4 – Narrative Description of the Business – United States Regulatory Environment – California* *Section 4 – Narrative Description of the Business – United States Regulatory Environment – Nevada* *Section 4 – Narrative Description of the Business – United States Regulatory Environment – New York*
	Provide reasonable assurance, through either positive or negative statements, that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any noncompliance, citations or notices of violation, of which the issuer is aware, that may have an impact on the investee's licence, business activities or operations.	*Section 4 – Narrative Description of the Business – United States Regulatory Environment – Federal Regulatory Environment* *Section 4 – Narrative Description of the Business – United States Regulatory Environment – California* *Section 4 – Narrative Description of the Business – United States Regulatory Environment – Nevada* *Section 4 – Narrative Description of the Business – United States Regulatory Environment – New York*

Founder Voting Control

As a result of the Super Voting Shares, Adam Bierman, MedMen's Co-Founder & Chief Executive Officer, and Andrew Modlin, MedMen's Co-Founder & President, will exercise approximately 98.3% of the voting power in respect of the Resulting Issuer's outstanding shares. The Subordinate Voting Shares are expected to be entitled to one vote per share and the Super Voting Shares are expected to be entitled to 1,000 votes per share. As a result, Mr. Bierman and Mr. Modlin, and potentially either one of them alone, are expected to have the ability to control the outcome of all matters submitted to the Resulting Issuer's shareholders for approval, including the election and removal of directors and any arrangement or sale of all or substantially all of the assets of the Resulting Issuer. If Mr. Bierman's or Mr. Modlin's employment with the Resulting Issuer is terminated or they resign from their positions with the Resulting Issuer, they will continue to have the ability to exercise the same significant voting power. Additionally, each Super Voting Share, while transferable only if it is transferred concurrently with 50 MedMen Corp Redeemable Shares or MedMen Redeemable Units, they may be so transferred to the holder's immediate family members, in connection with estate or tax planning or matters or to the other Founder. Accordingly, upon a transfer by a Founder of some or all of his Super Voting Shares to the other Founder, the other Founder could individually control nearly all of the voting power of the Resulting Issuer's outstanding shares.

In addition, because the number of Super Voting Shares held by a holder thereof from time to time is dependent upon the number of MedMen Corp Redeemable Shares and MedMen Redeemable Units beneficially owned, directly or indirectly, or deemed to be so beneficially owned by such holder from time to time, should the Resulting Issuer cause MedMen to issue additional MedMen Redeemable Units in the future to a Founder in connection with employee equity incentive programs, it would prolong the Founder's voting control.

Under the provisions of the Super Voting Shares and Subordinate Voting Shares, in the event that a take-over bid is made for the Super Voting Shares, the holders of Subordinate Voting Shares would not be entitled to participate in such offer and would not be entitled to tender their shares into any such offer, whether under the terms of the Subordinate Voting Shares or under any coattail trust or similar agreement, and would be excluded from any control premium paid for the Super Voting Shares. See Section 10 above.

The concentrated control through the Super Voting Shares could delay, defer, or prevent a change of control of the Resulting Issuer, arrangement involving the Resulting Issuer or sale of all or substantially all of the assets of the Resulting Issuer that its other shareholders support. Conversely, this concentrated control could allow the Founders to consummate such a transaction that the Resulting Issuer's other shareholders do not support. In addition, the Founders may make long-term strategic investment decisions and take risks that may not be successful and may seriously harm the Resulting Issuer's business.

As directors and officers of the Resulting Issuer, the Founders are anticipated to have control over the day-to-day management and the implementation of major strategic decisions of the Resulting Issuer, subject to authorization and oversight by the Resulting Issuer Board. As board members and officers, the Founders will owe a fiduciary duty to the Resulting Issuer's shareholders and will be obligated to act honestly and in good faith with a view to the best interests of the Resulting Issuer. As shareholders, even controlling shareholders, Mr. Bierman and Mr. Modlin will be entitled to vote their shares, and shares over which they have voting control, in their own interests, which may not always be in the interests of the Resulting Issuer or the other shareholders of the Resulting Issuer.

Unpredictability Caused by the Capital Structure and Founder Voting Control

Although other Canadian-based companies have dual class or multiple voting share structures, given the unique capital structure of the Resulting Issuer and the concentration of voting control that is held by the Founders, the Resulting Issuer not able to predict whether this structure and control will result in a lower trading price for or greater fluctuations in the trading price of the Subordinate Voting Shares or will result in adverse publicity to the Resulting Issuer or other adverse consequences.

MedMen may issue LTIP Units to new or existing MedMen Members in exchange for services performed or to be performed on behalf of MedMen and the number of LTIP Units that may be issued is unlimited. As vested LTIP Units may generally be converted into or exchanged for MedMen Redeemable Units, this could result in substantial dilution to the indirect equity interest of the holders of Subordinate Voting Shares in MedMen. See Section 10 of this Listing Statement above.

Under the A&R LLC Agreement, MedMen Corp, as manager of MedMen, is restricted from taking certain types of actions unless the same are approved, consented to or directed by a majority of the MedMen Members. This could restrict the ability of MedMen Corp to effectively manage the affairs of MedMen.

Additional Financing

The Resulting Issuer will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Resulting Issuer's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Subordinate Voting Shares.

Depending on the available of traditional banking services to the Resulting Issuer, the Resulting Issuer may enter into one or more credit facilities with one or more lenders in order to finance the acquisition of the Resulting Issuer's investments. It is anticipated that any such credit facility will contain a number of common covenants that, among other things, might restrict the ability of the Resulting Issuer to: (i) acquire or dispose of assets or businesses; (ii) incur additional indebtedness; (iii) make capital expenditures; (iv) make cash distributions; (v) create liens on assets; (vi) enter into leases, investments or acquisitions; (vii) engage in mergers or consolidations; or (viii) engage in certain transactions with affiliates, and otherwise restrict activities of the Resulting Issuer (including its ability to acquire additional investments, businesses or assets, certain changes of control and asset sale transactions) without the consent of the lenders. In addition, such a credit facility would likely require the Resulting Issuer to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. Such restrictions may limit the Resulting Issuer's ability to meet targeted returns and reduce the amount of cash available for investment. Moreover, the Resulting Issuer may incur indebtedness under credit facilities that bear interest at a variable rate. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for various Resulting Issuer purposes.

Cannabis Continues to be a Controlled Substance under the United States Federal Controlled Substances Act.

The Resulting Issuer will directly or indirectly be engaged in the medical and adult-use marijuana industry in the United States where local state law permits such activities. Investors are cautioned that in the United States, cannabis is largely regulated at the state level. To MedMen's knowledge, there are to date a total of 29 states, and the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam that have legalized cannabis in some form, including California, Nevada and New York. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the CSA and as such, cultivation, distribution, sale and possession of cannabis violates federal law in the United States.

The United States Congress has passed appropriations bills each of the last four years that have expressly not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. Courts in the United States have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with applicable state medical cannabis law. However, because this conduct continues to violate federal law, U.S. courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business - even those that have fully complied with state law - could be prosecuted for violations of federal law. And if Congress restores funding, the government will have the authority to prosecute individuals for violations of the law during the time it lacked funding, subject to the CSA's five-year statute of limitations.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Resulting Issuer, including its reputation and ability to conduct business, its holding (directly or indirectly) of medical and adult-use cannabis licenses in the United States, the listing of its securities on the CSE, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for MedMen to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Approach to the Enforcement of Cannabis Laws is Subject to Change

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in the Cole Memo acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several states have enacted laws relating to cannabis for medical purposes.

The Cole Memo outlined certain priorities for the Department of Justice relating to the prosecution of cannabis offenses. In particular, the Cole Memo noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the Department of Justice did not provide specific

guidelines for what regulatory and enforcement systems it deemed sufficient under the Cole Memo standard.

In light of limited investigative and prosecutorial resources, the Cole Memo concluded that the Department of Justice should be focused on addressing only the most significant threats related to cannabis. States where cannabis had been legalized were not characterized as a high priority. In March 2017, newly appointed Attorney General Jeff Sessions again noted limited federal resources and acknowledged that much of the Cole Memo had merit; however, he disagreed that it had been implemented effectively and, on January 4, 2018, Attorney General Jeff Sessions issued the Sessions Memorandum, which rescinded the Cole Memo. The Sessions Memorandum rescinded previous nationwide guidance specific to the prosecutorial authority of United States Attorneys relative to cannabis enforcement on the basis that they are unnecessary, given the well-established principles governing federal prosecution that are already in place. Those principals are included in chapter 9.27.000 of the United States Attorneys' Manual and require federal prosecutors deciding which cases to prosecute to weigh all relevant considerations, including federal law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community.

As a result of the Sessions Memorandum, federal prosecutors will now be free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and resultantly it is uncertain how active federal prosecutors will be in relation to such activities. Furthermore, the Sessions Memorandum did not discuss the treatment of medical cannabis by federal prosecutors. Medical cannabis is currently protected against enforcement by enacted legislation from United States Congress in the form of the Leahy Amendment to H.R.1625 – a vehicle for the Consolidated Appropriations Act of 2018 which similarly prevents federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level, subject to Congress restoring such funding. Due to the ambiguity of the Sessions Memorandum, there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law.

Such potential proceedings could involve significant restrictions being imposed upon the Resulting Issuer or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Resulting Issuer's business, revenues, operating results and financial condition as well as the Resulting Issuer's reputation and prospects, even if such proceedings were concluded successfully in favour of the Resulting Issuer. In the extreme case, such proceedings could ultimately involve the prosecution of key executives of the Resulting Issuer or the seizure of corporate assets.

The Leahy Amendment Must be Renewed to Protect the Medical Cannabis Industry

The Leahy Amendment, as discussed above, prohibits the Department of Justice from spending funds appropriated by Congress to enforce the tenets of the CSA against the medical cannabis industry in states which have legalized such activity. This amendment has historically been passed as an amendment to omnibus appropriations bills, which by their nature expire at the end of a fiscal year or other defined term. The Leahy Amendment will expire with the Fiscal Year 2018 on September 30, 2018. At such time, it may or may not be included in the Fiscal Year 2019 omnibus appropriations package or a continuing budget resolution, and its inclusion or non-inclusion, as applicable, is subject to political changes.

Risk of Civil Asset Forfeiture

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property were never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

Anti-Money Laundering Laws and Regulations

The Resulting Issuer will be subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), Sections 1956 and 1957 of U.S.C. Title 18 (the Money Laundering Control Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

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

In February 2014, FinCEN issued a memo (the "**FinCEN Memo**") providing instructions to banks seeking to provide services to cannabis-related businesses. The FinCEN Memo states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary guidance that former Deputy Attorney General James M. Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. While the FinCEN Memo has not been rescinded by the Department of Justice at this time, it remains unclear whether the current administration will follow its guidelines. Overall, the Department of Justice continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state, including in states that have legalized the applicable conduct and the Department of Justice's current enforcement priorities could change for any number of reasons, including a change in the opinions of the President of the United States or the United States Attorney General. A change in the Department of Justice's enforcement priorities could result in the Department of Justice prosecuting banks and financial institutions for crimes that previously were not prosecuted.

In the event that any of the Resulting Issuer's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Resulting Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while there are no current intentions to declare or pay dividends on the Subordinate Voting Shares in the foreseeable future, in the event that a determination was made that the Resulting Issuer's proceeds from operations (or any future

operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, the Resulting Issuer may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Lack of Access to U.S. Bankruptcy Protections

Because the use of cannabis is illegal under federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If the Resulting Issuer were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to the Resulting Issuer's United States operations, which would have a material adverse effect.

Heightened Scrutiny by Regulatory Authorities

For the reasons set forth above, MedMen's existing operations in the United States, and any future operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Resulting Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Resulting Issuer's ability to operate or invest in the United States or any other jurisdiction, in addition to those described herein.

It had been reported in Canada that the Canadian Depository for Securities Limited is considering a policy shift that would see its subsidiary, CDS Clearing and Depository Services Inc. ("**CDS**"), refuse to settle trades for cannabis issuers that have investments in the United States. CDS is Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, despite media reports to the contrary and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**MOU**") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the Subordinate Voting Shares are listed on a stock exchange, it would have a material adverse effect on the ability of holders of Subordinate Voting Shares to make and settle trades. In particular, the Subordinate Voting Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Subordinate Voting Shares through the facilities of the applicable stock exchange.

Risk of Legal, Regulatory or Political Change

The success of the business strategy of the Resulting Issuer depends on the legality of the marijuana industry. The political environment surrounding the marijuana industry in general can be volatile and the regulatory framework remains in flux. To MedMen's knowledge, there are

to date a total of 29 states, and the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam that have legalized cannabis in some form, including California, Nevada and New York, and additional states have pending legislation regarding the same; however, the risk remains that a shift in the regulatory or political realm could occur and have a drastic impact on the industry as a whole, adversely impacting the Resulting Issuer's business, results of operations, financial condition or prospects.

Delays in enactment of new state or federal regulations could restrict the ability of the Resulting Issuer to reach strategic growth targets and lower return on investor capital. The strategic growth strategy of the Resulting Issuer, is reliant upon certain federal and state regulations being enacted to facilitate the legalization of medical and adult-use marijuana. If such regulations are not enacted, or enacted but subsequently repealed or amended, or enacted with prolonged phase-in periods, the growth targets of the Resulting Issuer, and thus, the effect on the return of investor capital, could be detrimental. MedMen is unable to predict with certainty when and how the outcome of these complex regulatory and legislative proceedings will affect its business and growth.

Further, there is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Resulting Issuer's business, results of operations, financial condition and prospects would be materially adversely affected. It is also important to note that local and city ordinances may strictly limit and/or restrict disbursement of marijuana in a manner that will make it extremely difficult or impossible to transact business that is necessary for the continued operation of the marijuana industry. Federal actions against individuals or entities engaged in the marijuana industry or a repeal of applicable marijuana related legislation could adversely affect the Resulting Issuer and its business, results of operations, financial condition and prospects.

The Resulting Issuer is aware that multiple states are considering special taxes or fees on businesses in the marijuana industry. It is a potential yet unknown risk at this time that other states are in the process of reviewing such additional fees and taxation. This could have a material adverse effect upon the Resulting Issuer's business, results of operations, financial condition or prospects.

The commercial medical and adult-use marijuana industry is in its infancy and MedMen anticipates that such regulations will be subject to change as the jurisdictions in which MedMen does business matures. MedMen has in place a detailed compliance program headed by its Director of Compliance who oversees, maintains, and implements the compliance program and personnel. In addition to MedMen's robust legal and compliance departments, MedMen also has local regulatory/compliance counsel engaged in every jurisdiction in which it operates. MedMen's compliance program emphasizes security and inventory control to ensure strict monitoring of cannabis and inventory from delivery by a licensed distributor to sale or disposal. Additionally, MedMen has created comprehensive standard operating procedures that include detailed descriptions and instructions for monitoring inventory at all stages of development and distribution. MedMen will continue to monitor compliance on an ongoing basis in accordance with its compliance program, standard operating procedures, and any changes to regulation in the marijuana industry.

Overall, the medical and adult-use marijuana industry is subject to significant regulatory change at both the state and federal level. The inability of the Resulting Issuer to respond to the changing regulatory landscape may cause it to not be successful in capturing significant market share and could otherwise harm its business, results of operations, financial condition or prospects.

Environmental Risk and Regulation

MedMen's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors (or the equivalent thereof) and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Resulting Issuer's operations.

Government approvals and permits are currently, and may in the future, be required in connection with the Resulting Issuer's operations. To the extent such approvals are required and not obtained, the Resulting Issuer may be curtailed or prohibited from its proposed production of medical marijuana or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Resulting Issuer may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of medical marijuana, or more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Public Opinion and Perception

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. Public opinion and support for medical and adult-use marijuana has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and adult-use marijuana, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general). A negative shift in the public's perception of cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical and/or adult-use cannabis, thereby limiting the number of new state jurisdictions into which the Resulting Issuer could expand. Any inability to fully implement the Resulting Issuer's expansion strategy may have a material adverse effect on the Resulting Issuer's business, results of operations or prospects.

General Regulatory Risks; Risks Related to Licensure

The Resulting Issuer's business is subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of marijuana, including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with applicable regulatory requirements and obtaining all

requisite regulatory approvals. Changes to such laws, regulations and guidelines due to matters beyond the control of the Resulting Issuer may cause material adverse effects to the Resulting Issuer.

The Resulting Issuer is required to obtain or renew further government permits and licenses for its current and contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on the Resulting Issuer's part. The duration and success of the Resulting Issuer's efforts to obtain, amend and renew permits and licenses are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. The Resulting Issuer may not be able to obtain, amend or renew permits or licenses that are necessary to its operations. Any unexpected delays or costs associated with the permitting and licensing process could impede the ongoing or proposed operations of the Resulting Issuer. To the extent necessary permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, the Resulting Issuer may be curtailed or prohibited from proceeding with its ongoing operations or planned development and commercialization activities. Such curtailment or prohibition may result in a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

California state licenses, and some local licenses, are renewed annually. Each year, licensees are required to submit a renewal application per guidelines published by the BCC (for state licenses) or the applicable local regulatory body (for local licenses) such as the Department of Cannabis Regulation in the City of Los Angeles. While renewals are annual, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner and there are no material violations noted against the applicable license, the Resulting Issuer would expect to receive the applicable renewed license in the ordinary course of business.

In Nevada, all marijuana establishments must register with DOT and be issued a medical marijuana establishment registration certificate. In a local governmental jurisdiction that issues business licenses, the issuance by DOT of a medical marijuana establishment registration certificate is considered provisional until the local government has issued a business license for operation and the establishment is in compliance with all applicable local governmental ordinances. Final registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. For the six (6) provisional licenses MedMen currently holds in Nevada, each one has undergone three (3) renewal periods or requests for information: one (1) in November 2016, one (1) in July 2017, and one (1) in January 2018. Renewal requests are typically communicated through email from DOT and include a renewal form. The renewal periods serve as an update for DOT on the licensee's status toward active licensure. It is important to note provisional licenses do not permit the operation of any commercial or medical cannabis activity. Only after a provisional licensee has gone through necessary state and local inspections, if applicable, and has received a final registration certificate from DOT may an entity engage in cannabis business operation. There is no assurance that the Resulting Issuer will be issued final registration certificates in respect of its provisional licenses. Additionally, the licenses and registration certificate held by MMOF Vegas Retail, Inc. in respect of the Resulting Issuer's Las Vegas dispensary have expired. Renewal applications have been submitted by the Resulting Issuer in respect of each of such licenses and registration certificate. While such licenses and registration certificate remain effective during the renewal application process and while the Resulting Issuer expects to receive renewals for such licenses and registration certificate in the ordinary course of business, there is no assurance that such renewals will be granted.

The state licenses in New York are renewed every two years. Before the two year period ends, licensees are required to submit a renewal application per guidelines published by the NYSDOH. While renewals are granted every two years, there is no ultimate expiry after which no renewals are permitted. Similar to the process for the California licenses, as long as the license holder is in good standing and completes the renewal in a timely manner, the Resulting Issuer would expect to receive the applicable renewed license in the ordinary course of business.

While the Resulting Issuer's compliance controls have been developed to mitigate the risk of any material violations of any license it holds arising, there is no assurance that the Resulting Issuer's licenses will be renewed by each applicable regulatory authority in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process for any of the licenses held by the Resulting Issuer could impede the ongoing or planned operations of the Resulting Issuer and have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

The Resulting Issuer may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Resulting Issuer's reputation, require the Resulting Issuer to take, or refrain from taking, actions that could harm its operations or require Resulting Issuer to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Resulting Issuer's business, financial condition, results of operations or prospects.

Service Providers

As a result of any adverse change to the approach in enforcement of United States cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse change in public perception in respect of the consumption of marijuana or otherwise, third party service providers to the Resulting Issuer could suspend or withdraw their services, which may have a material adverse effect on the Resulting Issuer's business, revenues, operating results, financial condition or prospects.

Enforceability of Contracts

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal at a federal level, judges in multiple U.S. states have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate federal law, even if there is no violation of state law. There remains doubt and uncertainty that the Resulting Issuer will be able to legally enforce contracts it enters into if necessary. The Resulting Issuer cannot be assured that it will have a remedy for breach of contract, which would have a material adverse effect.

Limited Operating History

As a high growth enterprise, MedMen does not have a history of profitability. As such MedMen has no immediate prospect of generating profit from its intended operations,. The Resulting Issuer is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results, financial condition or prospects.

Competition

There is potential that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of the Resulting Issuer.

Because of the early stage of the industry in which the Resulting Issuer operates, the Resulting Issuer expects to face additional competition from new entrants. To become and remain competitive, the Resulting Issuer will require research and development, marketing, sales and support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition, results of operations or prospects of the Resulting Issuer.

Risks Inherent in an Agricultural Business

Adult-use and medical marijuana are agricultural products. There are risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the products are usually grown indoors under climate-controlled conditions, with conditions monitored, there can be no assurance that natural elements will not have a material adverse effect on the production of the Resulting Issuer's products.

Vulnerability to Rising Energy Costs

Adult-use and medical marijuana growing operations consume considerable energy, making the Resulting Issuer potentially vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business, results of operations, financial condition or prospects of the Resulting Issuer.

Unfavorable Publicity or Consumer Perception

The Resulting Issuer believes the adult-use and medical marijuana industries are highly dependent upon consumer perception regarding the safety, efficacy and quality of the marijuana produced. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of marijuana products. There can be no assurance that future scientific research or findings, regulatory investigations, litigation, media attention or other publicity will be favorable to the marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory investigations, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or other publicity could have a material adverse effect on the demand for adult-use or medical marijuana and on the business, results of operations, financial condition, cash flows or prospects of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of marijuana in general, or associating the consumption of adult-use and

medical marijuana with illness or other negative effects or events, could have such a material adverse effect. There is no assurance that such adverse publicity reports or other media attention will not arise.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Resulting Issuer faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of marijuana involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of marijuana alone or in combination with other medications or substances could occur. As a manufacturer, distributor and retailer of adult-use and medical marijuana, or in its role as an investor in or service provider to an entity that is a manufacturer, distributor and/or retailer of adult-use or medical marijuana, the Resulting Issuer may be subject to various product liability claims, including, among others, that the marijuana product caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer. There can be no assurances that the Resulting Issuer will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Resulting Issuer's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such recalls cause unexpected expenses of the recall and any legal proceedings that might arise in connection with the recall. This can cause loss of a significant amount of sales. In addition, a product recall may require significant management attention. Although the Resulting Issuer has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Resulting Issuer's brands were subject to recall, the image of that brand and the Resulting Issuer could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Results of Future Clinical Research

Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as cannabidiol ("**CBD**") and tetrahydrocannabinol ("**THC**")) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although MedMen believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could

raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, prospective purchasers of Subordinate Voting Shares should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this Listing Statement or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a material adverse effect on the demand for the Resulting Issuer's products with the potential to lead to a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Reliance on Key Inputs

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

Dependence on Suppliers and Skilled Labour

The ability of the Resulting Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Resulting Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Resulting Issuer's capital expenditure plans may be significantly greater than anticipated by the Resulting Issuer's management, and may be greater than funds available to the Resulting Issuer, in which circumstance the Resulting Issuer may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the business, financial condition, results of operations or prospects of the Resulting Issuer.

Co-Investment Risk

The Resulting Issuer may co-invest in one or more investments with certain strategic investors and/or other third parties through joint ventures or other entities, which parties in certain cases may have different interests or superior rights to those of the Resulting Issuer, although it is the general intent of the Resulting Issuer to retain superior rights associated with its investments. Although it is the Resulting Issuer's intent to retain control and other superior rights over the Resulting Issuer's investments, under certain circumstances it may be possible that the Resulting Issuer relinquishes such rights over certain of its investments and, therefore, may have a limited ability to protect its position therein. In addition, even when the Resulting Issuer does maintain a control position with respect to its investments, the Resulting Issuer's investments may be subject to typical risks associated with third-party involvement, including the possibility that a third-party may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Resulting Issuer, or may be in a position to take (or block) action in a manner contrary to the Resulting Issuer's objectives. The Resulting Issuer may also, in certain circumstances, be liable for the actions of its third-party partners or co-investors. Co-investments by third parties may or may not be on

substantially the same terms and conditions as the Resulting Issuer, and such different terms may be disadvantageous to the Resulting Issuer.

Difficulty to Forecast

The Resulting Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer.

Reliable Data on the Medical and Adult-Use Marijuana Industry is not Available

As a result of recent and ongoing regulatory and policy changes in the medical and adult-use marijuana industry, the market data available is limited and unreliable. Federal and state laws prevent widespread participation and hinder market research. Therefore, market research and projections by MedMen of estimated total retail sales, demographics, demand, and similar consumer research, are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of the Resulting Issuer's management team as of the date of this Listing Statement.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer, such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Subordinate Voting Shares. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Intellectual Property Risks

The Resulting Issuer may have certain proprietary intellectual property, including but not limited to brands, trademarks, trade names, patents and proprietary processes. The Resulting Issuer will rely on this intellectual property, know-how and other proprietary information, and require employees, consultants and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and the Resulting Issuer may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to the Resulting Issuer's proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on the Resulting Issuer's business, results of operations or prospects.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark and patent protection regarding the intellectual property of a business, may not be available to the Resulting Issuer. As a result, the Resulting Issuer's intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third-parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, the Resulting Issuer can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal, state or local level. While many states do offer the ability to protect trademarks independent of the federal government, patent protection is wholly unavailable on a state level, and state-registered trademarks provide a lower degree of protection than would federally-registered marks.

Competition from Synthetic Production and Technological Advances

The pharmaceutical industry may attempt to dominate the marijuana industry, and in particularly, legal marijuana, through the development and distribution of synthetic products which emulate the effects and treatment of organic marijuana. If they are successful, the widespread popularity of such synthetic products could change the demand, volume and profitability of the marijuana industry. This could adversely affect the ability of the Resulting Issuer to secure long-term profitability and success through the sustainable and profitable operation of its business. There may be unknown additional regulatory fees and taxes that may be assessed in the future.

Constraints on Marketing Products

The development of the Resulting Issuer's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States limits companies' abilities to compete for market share in a manner similar to other industries. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer's sales and results of operations could be adversely affected.

Fraudulent Or Illegal Activity by Employees, Contractors And Consultants

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Resulting Issuer's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Resulting Issuer's operations, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Information Technology Systems and Cyber-Attacks

MedMen's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology ("**IT**") systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. MedMen's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Resulting Issuer's reputation and results of operations.

MedMen has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Resulting Issuer will

not incur such losses in the future. The Resulting Issuer's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Resulting Issuer may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Security Breaches

Given the nature of MedMen's product and its lack of legal availability outside of channels approved by the Government of the United States, as well as the concentration of inventory in its facilities, despite meeting or exceeding all legislative security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of the Resulting Issuer's facilities could expose the Resulting Issuer to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing the MedMen's products.

In addition, MedMen collects and stores personal information about its patients and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly patient lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Tax Risk

Section 280E of the Code, as amended prohibits businesses from deducting certain expenses associated with trafficking controlled substances (within the meaning of Schedule I and II of the CSA). The IRS has invoked Section 280E in tax audits against various cannabis businesses in the U.S. that are permitted under applicable state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to cannabis businesses.

High Bonding and Insurance Coverage

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the business or industry of legal marijuana to post a bond or significant fees when applying for example for a dispensary license or renewal as a guarantee of payment of sales and franchise tax. MedMen is not able to quantify at this time the potential scope for such bonds or fees in the states in which it currently or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of the Resulting Issuer's business.

The Resulting Issuer's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although MedMen maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated

with its operations. The Resulting Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of MedMen is not generally available on acceptable terms. The Resulting Issuer might also become subject to liability for pollution or other hazards which may not be insured against or which the Resulting Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its business, results of operations, financial condition or prospects.

New Well-Capitalized Entrants may Develop Large-Scale Operations

Currently, the marijuana industry generally is comprised of individuals and small to medium-sized entities, however, the risk remains that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of larger dispensaries and cultivation facilities. In doing so, these larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use marijuana industry. While the trend in most state laws and regulations seemingly deters this type of takeover, this industry remains quite nascent, so what the landscape will be in the future remains largely unknown, which in itself is a risk.

The Resulting Issuer's proposed business plan is subject to all business risks associated with new business enterprises, including the absence of any significant operating history upon which to evaluate an investment. The likelihood of the Resulting Issuer's success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the formation of a new business, the development of new strategy and the competitive environment in which the Resulting Issuer will operate. It is possible that the Resulting Issuer will incur losses in the future. There is no guarantee that the Resulting Issuer will be profitable.

Economic Environment

The Resulting Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Resulting Issuer's sales and profitability.

As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Resulting Issuer's management.

Risks of Leverage

MedMen anticipates utilizing leverage in connection with the Resulting Issuer's investments in the form of secured or unsecured indebtedness. Although MedMen will seek to use leverage in a manner it believes is prudent, such leverage will increase the exposure of an investment to adverse economic factors such as downturns in the economy or deterioration in the condition of the investment. If the Resulting Issuer defaults on secured indebtedness, the lender may foreclose and the Resulting Issuer could lose its entire investment in the security of such loan. If the Resulting Issuer defaults on unsecured indebtedness, the terms of the loan may require the Resulting Issuer to repay the principal amount of the loan and any interest accrued thereon in addition to heavy penalties that may be imposed. Because the Resulting Issuer may engage in financings where several investments are cross-collateralized, multiple investments may be subject to the risk of loss. As a result, the Resulting Issuer could lose its interest in

performing investments in the event such investments are cross-collateralized with poorly performing or nonperforming investments.

In addition to leveraging the Resulting Issuer investments, the Resulting Issuer may borrow funds in its own name for various purposes, and may withhold or apply from distributions amounts necessary to repay such borrowings. The interest expense and such other costs incurred in connection with such borrowings may not be recovered by income from investments purchased by the Resulting Issuer. If investments fail to cover the cost of such borrowings, the value of the investments held by the Resulting Issuer would decrease faster than if there had been no such borrowings. Additionally, if the investments fail to perform to expectation, the interests of investors in the Resulting Issuer could be subordinated to such leverage, which will compound any such adverse consequences.

Going Concern Risk

The financial statements of the MedMen Group of Companies included in this Listing Statement have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's primary sources of capital resources are anticipated to be comprised of cash and cash equivalents and the issuance of equity and debt securities. The Resulting Issuer will continuously monitor its capital structure and, based on changes in operations and economic conditions, may adjust the structure by issuing new shares or new debt as necessary. The Resulting Issuer's ability to continue as a going concern in the short-term is expected to be dependent on obtaining additional financing to settle its liabilities. In the long-term, the Resulting Issuer's ability to continue as a going concern is expected to be dependent on maintaining profitable operations. While MedMen has been successful in securing both equity and debt financing from the private capital markets to date, in part, in order to access the public equity and debt capital markets in Canada, there are no guarantees that the Resulting Issuer will be able to secure any such private or public equity or debt financing in the future on terms acceptable to the Resulting Issuer, if at all, or be able to achieve profitability. This could in turn have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Resulting Issuer's ongoing business; (ii) distraction of management; (iii) the Resulting Issuer may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Resulting Issuer's operations; and (vi) loss or reduction of control over certain of the Resulting Issuer's assets. Additionally, the Resulting Issuer may issue additional Subordinate Voting Shares or MedMen may issue additional MedMen Redeemable Units in connection with such transactions, which would dilute a shareholder's holdings in the Resulting Issuer or indirect holdings in MedMen.

The presence of one or more material liabilities of an acquired company that are unknown to the Resulting Issuer at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Resulting Issuer. A strategic transaction may result in a significant change in the nature of the Resulting Issuer's business, operations and strategy. In addition, the Resulting Issuer may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Resulting Issuer's operations

Management of Growth

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Costs of being a Public Company

As a public issuer, the Resulting Issuer is subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Resulting Issuer's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Resulting Issuer's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

In particular, the Resulting Issuer is subject to reporting and other obligations under applicable Canadian securities laws, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, which requires annual management assessment of the effectiveness of the Resulting Issuer's internal controls over financial reporting. Effective internal controls, including financial reporting and disclosure controls and procedures, are necessary for the Resulting Issuer to provide reliable financial reports, to effectively reduce the risk of fraud and to operate successfully as a public company. These reporting and other obligations place significant demands on the Resulting Issuer as well as on the Resulting Issuer's management, administrative, operational and accounting resources.

Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and materially adversely affect the trading price of the Subordinate Voting Shares.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as directors and officers of the Resulting Issuer and as directors and officers of such other companies.

Certain Remedies may be Limited

The Resulting Issuer's governing documents may provide that the liability of the Resulting Issuer Board and its officers is eliminated to the fullest extent permitted under the laws of the Province of British Columbia. Thus, the Resulting Issuer and the shareholders of the Resulting Issuer may be prevented from recovering damages for alleged errors or omissions made by the members of the Resulting Issuer Board and its officers. The Resulting Issuer's governing documents may also provide that the Resulting Issuer will, to the fullest extent permitted by law, indemnify members of the Resulting Issuer Board and its officers for certain liabilities incurred by them by virtue of their acts on behalf of the Resulting Issuer

Difficulty in Enforcing Judgments and Effecting Service of Process on Directors and Officers

The directors and officers of the Resulting Issuer reside outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for Resulting Issuer shareholders to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for Resulting Issuer shareholders to effect service of process within Canada upon such persons.

Past Performance Not Indicative of Future Results

The prior investment and operational performance of MedMen is not indicative of the future operating results of the Resulting Issuer. There can be no assurance that the historical operating results achieved by MedMen or its affiliates will be achieved by the Resulting Issuer, and the Resulting Issuer's performance may be materially different.

Financial Projections May Prove Materially Inaccurate or Incorrect

Any MedMen or Resulting Issuer financial estimates, projections and other forward-looking information or statements included in this Listing Statement were prepared by MedMen without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information or statements. Such forward-looking information or statements are based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in this Listing Statement. Resulting Issuer Shareholders should inquire of the Resulting Issuer and become familiar with the assumptions underlying any estimates, projections or other forward-looking information or statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, Resulting Issuer Shareholders should not rely on any projections to indicate the actual results the Resulting Issuer might achieve.

Market Price Volatility Risks

The market price of the Subordinate Voting Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Subordinate Voting Shares.

Sales by Existing Shareholders

Sales of a substantial number of Subordinate Voting Shares in the public market could occur at any time either by existing holders of Subordinate Voting Shares or by holders of MedMen Corp Redeemable Shares or MedMen Redeemable Units upon redemption of the same and issuance to such holders of the applicable Subordinate Voting Shares. These sales, or the market perception that the holders of a large number of Subordinate Voting Shares, MedMen Corp Redeemable Shares or MedMen Redeemable Units intend to sell Subordinate Voting

Shares, could reduce the market price of the Subordinate Voting Shares. If this occurs and continues, it could impair the Resulting Issuer's ability to raise additional capital through the sale of securities.

Dividends

The Resulting Issuer has no earnings or dividend record, and does not anticipate paying any dividends on the Subordinate Voting Shares in the foreseeable future. Dividends paid by the Resulting Issuer would be subject to tax and, potentially, withholdings.

Limited Market for Securities

Notwithstanding that the Subordinate Voting Shares are listed on the CSE, there can be no assurance that an active and liquid market for the Subordinate Voting Shares will develop or be maintained and a Resulting Issuer securityholder may find it difficult to resell any securities of the Resulting Issuer.

Global Financial Conditions

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises.

Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Resulting Issuer's ability to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, the Resulting Issuer's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the cannabis industry, supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Resulting Issuer's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

18. Promoters

Adam Bierman, the Co-Founder & Chief Executive Officer of MedMen and the Chief Executive Officer of the Resulting Issuer may be considered to be a promoter of the Resulting Issuer in that he took the initiative in organizing the business of MedMen and the Resulting Issuer. Additional information about Mr. Bierman is disclosed elsewhere in this Listing Statement, including in connection with his capacity as an officer and director of the Resulting Issuer. See Section 13 and Section 15 for further details.

Andrew Modlin, the Co-Founder & President of MedMen and the President of the Resulting Issuer may be considered to be a promoter of the Resulting Issuer in that he took the initiative in organizing the business of MedMen and the Resulting Issuer. Additional information

about Mr. Modlin is disclosed elsewhere in this Listing Statement, including in connection with his capacity as an officer and director of the Resulting Issuer. See Section 13 and Section 15 for further details.

Christopher Ganan, the Chief Strategy Officer of MedMen and the Chief Strategy Officer of the Resulting Issuer, may be considered to be a promoter of the Resulting Issuer in that he took the initiative in organizing the business of MedMen and the Resulting Issuer. Additional information about Mr. Ganan is disclosed elsewhere in this Listing Statement, including in connection with his capacity as an officer of the Resulting Issuer. See Section 13 and Section 15 for further details.

MMMG, Fund I, Fund II and MMNV2 respectively hold 178,770,884 MedMen Corp Redeemable Shares, 93,842,733 MedMen Corp Redeemable Shares, 59,620,628 MedMen Corp Redeemable Shares and 16,574,460 MedMen Corp Redeemable Shares. In respect of MMMG, Messrs. Bierman and Modlin are the operating managers and the members of the board of managers and each holds a 20.6% equity interest and Mr. Ganan holds a 5.2% equity interest. In respect of Fund I, Messrs. Bierman, Modlin and Ganan each holds a 33.33% controlling interest (and each holds a 24.29% equity interest) in the general partner of Fund I. In respect of Fund II, Messrs. Bierman, Modlin and Ganan each holds a 33.33% controlling interest (and each holds a 23.87% economic interest) in the general partner of Fund II. In respect of MMNV2, Messrs. Bierman and Modlin are the managers and each holds a 23.9% equity interest and Mr. Ganan holds a 5% equity interest.

19. Legal Proceedings

To the Resulting Issuer's knowledge, there are no legal proceedings or regulatory actions material to the Resulting Issuer to which it is a party, or has been a party to, or of which any of its property is or was the subject matter of, and no such proceedings or actions are known by the Resulting Issuer to be contemplated.

There have been no penalties or sanctions imposed against the Resulting Issuer by a court or regulatory authority, and the Resulting Issuer has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, in the three years prior to the date of this Listing Statement.

20. Interest of Management and Others in Material Transactions

Other than as disclosed below and elsewhere in this Listing Statement no director, executive officer or unitholder or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Units or the MedMen Corp Redeemable Shares, or more than 10% of the voting securities of the Resulting Issuer, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement which has materially affected or is reasonably expected to materially affect the Resulting Issuer or a subsidiary of the Resulting Issuer.

Adam Bierman, Andrew Modlin and Christopher Ganan collectively hold an eighty-percent (80%) equitable interest in The MedMen of Nevada-Owner LLC, a Nevada limited liability company, that is lessor under that certain Ground Lease Agreement dated June 27, 2016 between The MedMen of Nevada-Owner LLC and Project Mustang Development, LLC, a Nevada limited liability company (and a subsidiary of MedMen), pursuant to which Project Mustang Development, LLC pays US$1,500,000/year in rent (subject to pre-determined annual increases).

Manlin2 LLC, a Nevada limited liability company, that is lessor under that certain Ground Lease Agreement dated May 6, 2016 between Manlin2 LLC and Manlin DHS Development, LLC,

a Nevada limited liability company (and a subsidiary of MedMen) pursuant to which Manlin DHS Development, LLC pays US$1,825,000/year in rent (subject to pre-determined annual increases). Messrs. Bierman, Modlin and Ganan each hold a 33.33% equitable interest in the managing member of Manlin2 LLC. Such managing member has a 0.01% equitable interest in Manlin2 LLC and, upon Manlin2 LLC making distributions to its members of (i) 9% per annum of interest on member capital contributions, and (ii) the aggregate amount of the member capital contributions, such managing member has the right to receive 30% of all of Manlin2 LLC's distributions (including prior distributions).

21. Auditors, Transfer Agents and Registrars

The auditor of the Resulting Issuer is MNP LLP and the transfer agent and registrar for the Subordinate Voting Shares is Odyssey Trust Company at its principal offices in Calgary, Alberta.

22. Material Contracts

Except for material contracts entered into in the ordinary course of business, set out below are the material contracts of the Resulting Issuer and its subsidiaries.

- A&R LLC Agreement. See Section 10 above for further details.
- Support Agreement. See Section 10 above for further details.

23. Interest of Experts

Macias, Gini & O'Connell, LLP have performed the audit in respect of the audited financial statements of the MedMen Group of Companies as at and for the year ended June 30, 2017. Macias, Gini & O'Connell, LLP and its partners and associates beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding MedMen Units.

24. Other Material Facts

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of the material U.S. federal income tax considerations for U.S. Holders and Non-U.S. Holders (each as defined below) relating to the ownership and disposition of Subordinate Voting Shares, but does not purport to be a complete analysis of all potential tax matters for consideration. The effects of tax laws, including by way of example only certain U.S. estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS, in each instance in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a holder of Subordinate Voting Shares. The Resulting Issuer has not sought and will not seek any rulings from the IRS, or an opinion from legal counsel, regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of Subordinate Voting Shares.

This discussion is limited to U.S. Holders and Non-U.S. Holders that hold Subordinate Voting Shares after giving effect to the Consolidation and that hold Subordinate Voting Shares as a "capital asset" within the meaning of Code Section 1221 (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances, including the impact of the Medicare contribution tax on net

investment income. In addition, it does not address consequences relevant to holders subject to special rules, including, without limitation holders who, or which, are:

- U.S. expatriates, former citizens of the U.S., or former long-term residents of the U.S.;
- subject to the alternative minimum tax or the tax on net investment income;
- holding Subordinate Voting Shares as part of a hedge, straddle, or as part of a conversion transaction or other integrated investment or risk reduction strategy or transaction;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities or foreign currencies, or that use the mark-to-market method of accounting for U.S. federal income tax purposes;
- "controlled foreign corporations," "passive foreign investment companies," or corporations that accumulate earnings to avoid, or which has the result of avoiding, U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- deemed to sell Subordinate Voting Shares under the constructive sale provisions of the Code;
- are required to accelerate the recognition of any item of gross income with respect to Subordinate Voting Shares as a result of such income being recognized on an applicable financial statement;
- persons who hold or receive Subordinate Voting Shares pursuant to the exercise of any employee stock option or otherwise as compensation; and
- tax-qualified retirement plans.

If an entity treated as a partnership for U.S. federal income tax purposes holds Subordinate Voting Shares, the tax treatment of a partner in such partnership generally will depend on the status of the partner, the activities of the entity treated as a partnership for U.S. federal income tax purposes, and certain determinations made at the partner level. Accordingly, entities treated as partnerships holding Subordinate Voting Shares and the partners in such entities should consult their own tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. RESULTING ISSUER SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SUBORDINATE VOTING SHARES ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a U.S. Holder

For purposes of this discussion, a "U.S. Holder" is any beneficial owner of Subordinate Voting Shares after giving effect to the Consolidation that is, for U.S. federal income tax purposes:

- an individual who is a U.S. resident (discussed below) or U.S. citizen;
- a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S., any state within the U.S. or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that either (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

With respect to the first bullet point above, an individual is generally treated as a resident of the U.S. in any calendar year for U.S. federal income tax purposes if the individual either (i) is the holder of a green card, generally during any point of such year, or (ii) is present in the U.S. for at least 31 days in that calendar year, and for an aggregate of at least 183 days during the three-year period ending on the last day of the current calendar year. For purposes of the 183-day calculation (often referred to as the Substantial Presence Test), all of the days present in the U.S. during the current year, one-third of the days present in the U.S. during the immediately preceding year, and one-sixth of the days present in the second preceding year are counted. Residents are generally treated for U.S. federal income tax purposes as if they were U.S. citizens.

Tax Classification as a U.S. Domestic Corporation

As a result of the Business Combination, pursuant to Section 7874(b) of the Code and the Treasury Regulations promulgated thereunder, notwithstanding that the Resulting Issuer is organized under the provisions of the BCBCA, solely for U.S. federal income tax purposes, it is anticipated that the Resulting Issuer will be treated as a U.S. domestic corporation.

The Resulting Issuer anticipates that it will experience a number of significant and complicated U.S. federal income tax consequences as a result of being treated as a U.S. domestic corporation for U.S. federal income tax purposes, and this summary does not attempt to describe all such U.S. federal income tax consequences. Section 7874 of the Code and the Treasury Regulations promulgated thereunder do not address all the possible tax consequences that arise from the Resulting Issuer being treated as a U.S. domestic corporation for U.S. federal income tax purposes. Accordingly, there may be additional or unforeseen U.S. federal income tax consequences to the Resulting Issuer that are not discussed in this summary.

Generally, the Resulting Issuer will be subject to U.S. federal income tax on its worldwide taxable income (regardless of whether such income is "U.S. source" or "foreign source") and will be required to file a U.S. federal income tax return annually with the IRS. The Resulting Issuer anticipates that it will also be subject to tax in Canada. It is unclear how the foreign tax credit rules under the Code will operate in certain circumstances, given the treatment of the Resulting Issuer as a U.S. domestic corporation for U.S. federal income tax purposes and the taxation of the Resulting Issuer in Canada. Accordingly, it is possible that the Resulting Issuer will be subject

to double taxation with respect to all or part of its taxable income. It is anticipated that such U.S. and Canadian tax treatment will continue indefinitely and that the Subordinate Voting Shares will be treated indefinitely as shares in a U.S. domestic corporation for U.S. federal income tax purposes, notwithstanding future transfers. The remainder of this summary assumes that the Resulting Issuer will be treated as a U.S. domestic corporation for U.S. federal income tax purposes.

Tax Considerations for U.S. Holders

Distributions

Distributions of cash or property on Subordinate Voting Shares will constitute dividends for U.S. federal income tax purposes to the extent paid from the Resulting Issuer's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Dividends will generally be taxable to a non-corporate U.S. Holder at the preferential rates applicable to long-term capital gains, provided that such holder meets certain holding period and other requirements. Distributions in excess thereof will first constitute a return of capital and be applied against and reduce a U.S. Holder's adjusted tax basis in its Subordinate Voting Shares, but not below zero, and thereafter be treated as capital gain and will be treated as described under "*– Sale or Other Taxable Disposition*" below.

Dividends received by corporate U.S. Holders may be eligible for a dividends received deduction, subject to certain restrictions relating to, among others, the corporate U.S. Holder's taxable income, holding period and debt financing.

Sale or Other Taxable Disposition

Upon the sale or other taxable disposition of Subordinate Voting Shares, a U.S. Holder will generally recognize capital gain or loss equal to the difference between (i) the amount realized by such U.S. Holder in connection with such sale or other taxable disposition, and (ii) such U.S. Holder's adjusted tax basis in such stock. Such capital gain or loss will generally be long-term capital gain or loss if the U.S. Holder's holding period respecting such stock is more than twelve months. U.S. Holders who are individuals are eligible for preferential rates of taxation respecting their long-term capital gains. Deductions for capital losses are subject to limitations.

Foreign Tax Credit Limitations

Because it is anticipated that the Resulting Issuer will be subject to tax both as a U.S. domestic corporation and as a Canadian corporation, a U.S. Holder may pay, through withholding, Canadian tax, as well as U.S. federal income tax, with respect to dividends paid on its Subordinate Voting Shares. For U.S. federal income tax purposes, a U.S. Holder may elect for any taxable year to receive either a credit or a deduction for all foreign income taxes paid by the holder during the year. Complex limitations apply to the foreign tax credit, including a general limitation that the credit cannot exceed the proportionate share of a taxpayer's U.S. federal income tax that the taxpayer's foreign source taxable income bears to the taxpayer's worldwide taxable income. In applying this limitation, items of income and deduction must be classified, under complex rules, as either foreign source or U.S. source. The status of the Resulting Issuer as a U.S. domestic corporation for U.S. federal income tax purposes will cause dividends paid by the Resulting Issuer to be treated as U.S. source rather than foreign source for this purpose. As a result, a foreign tax credit may be unavailable for any Canadian tax paid on dividends received from the Resulting Issuer. Similarly, to the extent a sale or disposition of the Subordinate Voting Shares by a U.S. Holder results in Canadian tax payable by the U.S. Holder (for example, because the Subordinate Voting Shares constitute taxable Canadian property within the meaning of the Tax Act), a U.S. foreign tax credit may be unavailable to the U.S. Holder for such Canadian tax. In each case, however, the U.S. Holder should be able to take a deduction for the

U.S. Holder's Canadian tax paid, provided that the U.S. Holder has not elected to credit other foreign taxes during the same taxable year.

The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisors regarding these rules.

Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or the amount of proceeds paid in foreign currency on the sale, exchange or other taxable disposition of Subordinate Voting Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Information Reporting and Backup Withholding

U.S. backup withholding (currently at a rate of 24%) is imposed upon certain payments to persons that fail (or are unable) to furnish the information required pursuant to U.S. information reporting requirements. Distributions to U.S. Holders will generally be exempt from backup withholding, provided the U.S. Holder meets applicable certification requirements, including providing a U.S. taxpayer identification number on a properly completed IRS Form W-9, or otherwise establishes an exemption. The Resulting Issuer must report annually to the IRS and to each U.S. Holder the amount of distributions and dividends paid to that U.S. Holder and the proceeds from the sale or other disposition of Subordinate Voting Shares, unless such U.S. Holder is an exempt recipient.

Backup withholding does not represent an additional tax. Any amounts withheld from a payment to a U.S. Holder under the backup withholding rules will generally be allowed as a credit against such U.S. Holder's U.S. federal income tax liability, and may entitle such U.S. Holder to a refund, provided the required information and returns are timely furnished by such U.S. Holder to the IRS.

Tax Considerations for Non-U.S. Holders

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of Subordinate Voting Shares after giving effect to the Consolidation that is neither a "U.S. Holder" nor an entity treated as a partnership for U.S. federal income tax purposes.

Distributions

Distributions of cash or property on Subordinate Voting Shares will constitute dividends for U.S. federal income tax purposes to the extent paid from the Resulting Issuer's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess thereof will first constitute a return of capital and be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its Subordinate Voting Shares, but not below

zero, and thereafter be treated as capital gain and will be treated as described under "– *Sale or Other Taxable Disposition*" below.

Subject to the discussions under "– *Information Reporting and Backup Withholding*" and under "– *FATCA*" below, any dividend paid to a Non-U.S. Holder of Subordinate Voting Shares that is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the U.S. will be subject to U.S. federal withholding tax at a rate of 30%, or such lower rate as may be specified under an applicable income tax treaty. In order to receive a reduced treaty rate, a Non-U.S. Holder must provide its financial intermediary with an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or an appropriate successor form), properly certifying such holder's eligibility for the reduced rate. If a Non-U.S. Holder holds Subordinate Voting Shares through a financial institution or other agent acting on the Non-U.S. Holder's behalf, the Non-U.S. Holder will be required to provide appropriate documentation to such agent, and the Non-U.S. Holder's agent will then be required to provide such (or a similar) certification to us, either directly or through other intermediaries. A Non-U.S. Holder that does not timely furnish the required certification, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their own tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S. (or, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment, or fixed base, of the Non-U.S. Holder) generally will be exempt from the withholding tax described above and instead will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if the Non-U.S. Holder were a U.S. person. In such case, the Resulting Issuer will not have to withhold U.S. federal tax so long as the Non-U.S. Holder timely complies with the applicable certification and disclosure requirements. In order to obtain this exemption from withholding tax, a Non-U.S. Holder must provide its financial intermediary with an IRS Form W-8ECI properly certifying its eligibility for such exemption. Any such effectively connected dividends received by a corporate Non-U.S. Holder may be subject to an additional "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty), as adjusted for certain items. Non-U.S. Holders should consult their own tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussions under "– *Information Reporting and Backup Withholding*" and under "– *FATCA*" below, any gain realized on the sale or other disposition of Subordinate Voting Shares by a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S. (or, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment, or fixed base, of the Non-U.S. Holder);

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met; or

- the rules of the Foreign Investment in Real Property Tax Act of 1980 ("**FIRPTA**") apply to treat the gain as effectively connected with a U.S. trade or business.

A Non-U.S. Holder who has gain that is described in the first bullet point immediately above will be subject to U.S. federal income tax on the gain derived from the sale or other

disposition pursuant to regular graduated U.S. federal income tax rates in the same manner as if it were a U.S. person. In addition, a corporate Non-U.S. Holder described in the first bullet point immediately above may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits (or at such lower rate as may be specified by an applicable income tax treaty), as adjusted for certain items.

A Non-U.S. Holder who meets the requirements described in the second bullet point immediately above will be subject to a flat 30% tax (or a lower tax rate specified by an applicable tax treaty) on the gain derived from the sale or other disposition, which gain may be offset by certain U.S. source capital losses (even though the individual is not considered a resident of the U.S.), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, pursuant to FIRPTA, in general, a Non-U.S. Holder is subject to U.S. federal income tax in the same manner as a U.S. Holder on any gain realized on the sale or other disposition of a "U.S. real property interest" ("**USRPI**"). For purposes of these rules, a USRPI generally includes stock in a U.S. corporation (like Subordinate Voting Shares) assuming the U.S. corporation's interests in U.S. real property constitute 50% or more, by value, of the sum of the U.S. corporation's (i) assets used in a trade or business, (ii) U.S. real property interests, and (iii) interests in real property outside of the U.S. A U.S. corporation whose interests in U.S. real property constitute 50% or more, by value, of the sum of such assets is commonly referred to as a U.S. real property holding corporation ("**USRPHC**"). The Resulting Issuer is not, and does not anticipate becoming as a result of the Business Combination, a USRPHC.

Information Reporting and Backup Withholding

With respect to distributions and dividends on Subordinate Voting Shares, the Resulting Issuer must report annually to the IRS and to each Non-U.S. Holder the amount of distributions and dividends paid to such Non-U.S. Holder and any tax withheld with respect to such distributions and dividends, regardless of whether withholding was required with respect thereto. Copies of the information returns reporting such dividends and distributions and withholding also may be made available to the tax authorities in the country in which the Non-U.S. Holder resides or is established under the provisions of an applicable income tax treaty, tax information exchange agreement or other arrangement. A Non-U.S. Holder will be subject to backup withholding for dividends and distributions paid to such Non-U.S. Holder unless either (i) such Non-U.S. Holder certifies under penalty of perjury that it is not a U.S. person (as defined in the Code), which certification is generally satisfied by providing a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI (or appropriate successor form), and the payor does not have actual knowledge or reason to know that such holder is a U.S. person, or (ii) such Non-U.S. Holder otherwise establishes an exemption.

With respect to sales or other dispositions of Subordinate Voting Shares, information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of Subordinate Voting Shares within the U.S. or conducted through certain U.S.-related financial intermediaries, unless either (i) such Non-U.S. Holder certifies under penalty of perjury that it is not a U.S. person (as defined in the Code), which certification is generally satisfied by providing a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI (or appropriate successor form), and the payor does not have actual knowledge or reason to know that such holder is a U.S. person, or (ii) such Non-U.S. Holder otherwise establishes an exemption.

Whether with respect to distributions and dividends, or the sale or other disposition of Subordinate Voting Shares, backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a

Non-U.S. Holder's U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

FATCA

Withholding taxes may be imposed pursuant to FATCA (Sections 1471 through 1474 of the Code) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, except as discussed below, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition (including certain distributions treated as a sale or other disposition) of, Subordinate Voting Shares paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code).

Such 30% FATCA withholding will not apply to a foreign financial institution if such institution undertakes certain diligence and reporting obligations, or otherwise qualifies for an exemption from these rules. The diligence and reporting obligations include, among others, entering into an agreement with the U.S. Department of Treasury pursuant to which the foreign financial institution must (i) undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), (ii) annually report certain information about such accounts, and (iii) withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

The 30% FATCA withholding will not apply to a non-financial foreign entity which either certifies that it does not have any "substantial United States owners" (as defined in the Code), furnishes identifying information regarding each substantial United States owner, or otherwise qualifies for an exemption from these rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA (i) generally applies currently to payments of dividends on Subordinate Voting Shares, and (ii) will apply to payments of gross proceeds from the sale or other disposition of such stock (including certain distributions treated as a sale or other disposition) on or after January 1, 2019.

25. **Financial Statements**

Please see attached the following financial statements:

- the audited combined financial statements of the MedMen Group of Companies as of and for the year ended June 30, 2017, and related notes thereto attached hereto as Schedule "A";

- the unaudited financial statements of the MedMen Group of Companies as of and for the three and six months periods ended December 31, 2017 and 2016, and related notes thereto attached hereto as Schedule "B";

- the audited financial statements of Bloomfield Industries, Inc., as of and for the year ended December 31, 2016, and related notes thereto, and the audited combined financial statements of The Compassion Network, LLC and Doghat, Inc. as of and for the year ended December 31, 2016, and related notes thereto and attached hereto as Schedule "C". Note that these are financial statements in respect of certain subsidiaries and predecessors of subsidiaries with businesses prior to June 30, 2016;

- the audited financial statements of Ladera for the years ended October 31, 2017 and 2016, and related notes thereto attached hereto as Schedule "E";

- the audited financial statements of Ladera for the years ended October 31, 2016 and 2015, and related notes thereto attached hereto as Schedule “F”; and

- the condensed interim financial statements of Ladera as at and for the three months ended January 31, 2018 and 2017, and related notes thereto attached hereto as Schedule “G”.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, MedMen Enterprises Inc., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to MedMen Enterprises Inc.. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario.

this 28th day of May, 2018.

"*Adam Bierman*"

Chief Executive Officer

Adam Bierman

"*James Parker*"

Chief Financial Officer

James Parker

"*Christopher Ganan*"

Promoter (if applicable)

Christopher Ganan

"*Andrew Modlin*"

Director

Andrew Modlin

"*Lisa Sergi*"

Director

Lisa Sergi

Appendix A: MINERAL PROJECTS

Not Applicable.

Appendix B: OIL AND GAS PROJECTS

Not Applicable.

ANSON ADVISORS INC. *et al.* Plaintiffs	- and -	**STAFFORD *et al.*** Defendants
DOXTATOR Plaintiff by Counterclaim		**ANSON ADVISORS INC., *et al.*** Defendants by Counterclaim

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD
(Volume 3 of 5)

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