

***THIS IS EXHIBIT "G" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***

A handwritten signature in blue ink, consisting of a stylized, cursive script that is difficult to decipher but appears to be a name.

A Commissioner Etc.

SEARCH SUMMARY

The following enquiries and searches were made against:

- at the registration system maintained pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”).

The currency of each of the aforementioned searches is as follows:

SEARCHES AND CURRENCY

Name	PPSA
Heritage Cannabis Holdings Corp. (Alberta)	March 28, 2024
Heritage Cannabis Holdings Corp. (British Columbia)	March 28, 2024
Heritage Cannabis Holdings Corp. (Ontario)	March 27, 2024
1005477 B.C. Ltd. (Alberta)	March 28, 2024
1005477 B.C. Ltd. (British Columbia)	March 28, 2024
1005477 B.C. Ltd. (Ontario)	March 27, 2024
Heritage Cannabis West Corporation (Alberta)	March 28, 2024
Heritage Cannabis West Corporation (British Columbia)	March 28, 2024
Heritage Cannabis West Corporation (Ontario)	March 27, 2024
Voyage Cannabis Corp (Alberta)	March 28, 2024
Voyage Cannabis Corp (British Columbia)	March 28, 2024
Voyage Cannabis Corp (Ontario)	March 27, 2024
Mainstrain Market Ltd. (Alberta)	March 28, 2024
Mainstrain Market Ltd. (British Columbia)	March 28, 2024
Mainstrain Market Ltd. (Ontario)	March 27, 2024
Heritage Cannabis East Corporation (Alberta)	March 28, 2024
Heritage Cannabis East Corporation (British Columbia)	March 28, 2024
Heritage Cannabis East Corporation (Ontario)	March 27, 2024
Cannacure Corporation (Alberta)	March 28, 2024
Cannacure Corporation (British Columbia)	March 28, 2024

Cannacure Corporation (Ontario)	March 27, 2024
Purefarma Solutions Inc. (Alberta)	March 28, 2024
Purefarma Solutions Inc. (British Columbia)	March 28, 2024
Purefarma Solutions Inc. (Ontario)	March 27, 2024
Calyx Life Sciences Corp. (Alberta)	March 28, 2024
Calyx Life Sciences Corp. (British Columbia)	March 28, 2024
Calyx Life Sciences Corp. (Ontario)	March 27, 2024
333 Jarvis Realty Inc. (Alberta)	March 28, 2024
333 Jarvis Realty Inc. (British Columbia)	March 28, 2024
333 Jarvis Realty Inc. (Ontario)	March 27, 2024
5450 Realty Inc. (Alberta)	March 28, 2024
5450 Realty Inc. (British Columbia)	March 28, 2024
5450 Realty Inc. (Ontario)	March 27, 2024
Heritage Cannabis Exchange Corp. (Alberta)	March 28, 2024
Heritage Cannabis Exchange Corp. (British Columbia)	March 28, 2024
Heritage Cannabis Exchange Corp. (Ontario)	March 27, 2024
Premium 5 Ltd. (Alberta)	March 27, 2024
Premium 5 Ltd. (British Columbia)	March 27, 2024
Premium 5 Ltd. (Ontario)	March 26, 2024

Such enquiries and searches failed to disclose any undischarged registrations, filings or recordings with respect to the aforementioned names except as follows:

PPSA SEARCHES

Heritage Cannabis Holdings Corp.						
Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Heritage Cannabis Holdings Corp. British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M		April 1, 2026	Cannacure Corporation (Toronto, ON) Voyage Cannabis Corp. (Kelowna, BC) 1005477 B.C. Ltd. (Kelowna, BC) Calyx Life Sciences Corp. (Kelowna, BC) 5450 Realty Inc. (Kelowna, BC) Purefarma Solutions Inc. (Kelowna, BC) Premium 5 Ltd. (Fort Saskatchewan, AB) Heritage Cannabis West Corporation (Kelowna, BC) Heritage Cannabis Holdings Corp. (Toronto, ON) 333 Jarvis Realty Inc. (Toronto, ON) Heritage Cannabis Exchange	BJK Holdings Ltd.	Vehicle Collateral General Collateral *including, without limitation, accounts, equipment, proceeds, material agreements, floating charge on land, etc.

				Corp. (Toronto, ON) Heritage Cannabis East Corporation (Toronto, ON)		
2	592391N		March 11, 2027	Voyage Cannabis Corp. (Falkland, BC / Kelowna, BC / Toronto, ON) (now, Heritage Cannabis West Corp.) Heritage Cannabis Holdings Corp. (Falkland, BC / Kelowna, BC / Toronto, ON) Schwede, David Werner Paul (Falkland, BC / Kelowna, BC / Toronto, ON) Heritage Cannabis West Corporation (Falkland, BC / Kelowna, BC / Toronto, ON)	Metro Leasing Corp.	Vehicle Collateral 1. MV – KIOTI / DK4710SE (YGG900116) General Collateral *including, without limitation, all present and after acquired personal property, collateral, right to insurance payment or other indemnity payments, proceeds of the collateral, goods, investment property, instruments, documents of title, chattel paper, intangibles, or money

Heritage Cannabis Holdings Corp. Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	20190510 1441 1530 0647	751103379	May 10, 2024	Heritage Cannabis Holdings Corp (Vancouver)	Bank of Montreal (Toronto)	Accounts, Other

2	20210401 1255 1590 7890	771153723	April 1, 2029	333 Jarvis Realty Inc. (Toronto, ON) Cannacure Corporation (Toronto, ON) – now, Heritage Cannabis East Corporation (Toronto) Heritage Cannabis Holdings Corp. (Toronto, ON)	BJK Holdings Ltd.	Inventory, Equipment, Accounts, Other
3	20221101 1305 1793 1912	788089527	November 1, 2027	Heritage Cannabis Holdings Corp. (Toronto)	NFS Leasing Canada Ltd. (Toronto) and Peoples United Bank, N.A	Inventory, Equipment, Accounts, Other
4	20221101 1307 1793 1913	788089608	November 1, 2027	Heritage Cannabis Holdings Corp. (Toronto)	NFS Leasing Canada Ltd. (Toronto)	Inventory, Equipment, Accounts, Other
5	20230929 1156 1793 0546	797650083	September 29, 2028	Heritage Cannabis Holdings Corp. (Toronto)	NFS Leasing Canada Ltd. c/o NFS Leasing Inc. (Beverly, MA) and M&T Bank Corporation	Equipment
6	20231031 1446 1793 3418	798601032	October 31, 2028	Heritage Cannabis Holdings Corp. (Toronto)	NFS Leasing Canada Ltd. c/o NFS Leasing, Inc.	Inventory, Equipment, Accounts, Other

1005477 B.C. Ltd.						
Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

1005477 B.C. Ltd.						
British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					

1005477 B.C. Ltd.						
Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	20210401 1256 1590 7891	771153741	April 1, 2029	1005477 BC Ltd. (Kelowna, BC) Purefarma Solutions Inc. (Kelowna, BC) Calyx Life Sciences Corp. Kelowna, BC) Premium 5 Ltd. (Fort Saskatchewan, AB) Heritage Cannabis Exchange Corp. (Toronto, ON)	BJK Holdings Ltd.	Accounts, Other

				Heritage US Holdings Corp. (Toronto, ON)		
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Heritage Cannabis West Corporation Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Heritage Cannabis West Corporation British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					
2	391566N		November 25, 2026	Heritage Cannabis West Corporation (Kelowna, BC)	Brown Bros Motor Lease Canada Ltd	Vehicle Collateral: 1. MV – 2021 – Chevrolet Silverado (1GCUYBEF 2MZ114019)
3	592391N *see above					

Heritage Cannabis West Corporation Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Voyage Cannabis Corp. Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Voyage Cannabis Corp. British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					
2	147262N DISCHARGED					
3	592391N *see above					

Voyage Cannabis Corp. Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Mainstrain Market Ltd. Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Mainstrain Market Ltd. British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Mainstrain Market Ltd. Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Heritage Cannabis East Corporation Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Heritage Cannabis East Corporation British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					

Heritage Cannabis East Corporation Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	20210401 1255 1590 7889	771153723 *see above				

Cannacure Corporation Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Cannacure Corporation British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					

Cannacure Corporation Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	20210401 1255 1590 7890	771153723 *see above				

Purefarma Solutions Inc. Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Purefarma Solutions Inc. British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					

Purefarma Solutions Inc. Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	20210401 1256 1590 7891	771153741 *see above				

Calyx Life Sciences Corp Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Calyx Life Sciences Corp British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					

Calyx Life Sciences Corp Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	20210401 1256 1590 7891	771153741 *see above				

333 Jarvis Realty Inc. Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

333 Jarvis Realty Inc. British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					

333 Jarvis Realty Inc. Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	20210401 1255 1590 7890	771153723 *see above				

5450 Realty Inc Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

5450 Realty Inc British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					

5450 Realty Inc Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Heritage Cannabis Exchange Corp.						
Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	NIL RESULTS					

Heritage Cannabis Exchange Corp.						
British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					

Heritage Cannabis Exchange Corp.						
Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	20210401 1256 1590 7891	771153741 *see above				

Premium 5 Ltd.						
Alberta						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	24032707402		March 27, 2029	Premium 5 Ltd. (Fort Saskatchewan, AB)	BJK Holdings Ltd.	Registration Type: Security Agreement *All present and after acquired personal property of the Debtor Registration Type: Land Charge

Premium 5 Ltd. Ontario						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	20210401 1256 1590 7891	771153741 *see above				

Premium 5 Ltd. British Columbia						
#	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification / Description
1	874130M *see above					

***THIS IS EXHIBIT "H" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***

A handwritten signature in blue ink, consisting of a stylized, cursive script that is difficult to decipher but appears to be a name.

A Commissioner Etc.

THIS LOAN AGREEMENT (the “Agreement”) made effective March 29, 2021 (the “Effective Date”).

AMONG:

BJK Holdings Ltd., of
238 22 Street N, Lethbridge, Alberta T1H 3R7

(the “Lender”)

OF THE FIRST PART

AND:

Heritage Cannabis Holdings Corp., CannaCure Corporation, and 333 Jarvis Realty Inc., with a registered and records office addresses of
77 Bloor Street West, Suite 600, Toronto, ON M5S 1M2, and

Voyage Cannabis Corp., and 5450 Realty Inc., with a registered and records office addresses of
c/o Pushor Mitchell LLP, 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3

(together the “Borrowers”)

OF THE SECOND PART

AND:

1005477 B.C Ltd., Calyx Life Sciences Corp., and Purefarma Solutions Inc., all with a registered and records office address of
c/o Pushor Mitchell LLP, 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3,

Heritage Cannabis Exchange Corp., and Heritage US Holdings Corp., all with a registered and records office address of
77 Bloor Street West, Suite 600, Toronto, ON M5S 1M2, and

Premium 5 Ltd. with a registered and records office address of
#168, 11602 – 88th Avenue, Fort Saskatchewan, AB T8L0K1

(together the “Guarantors”)

OF THE THIRD PART

WHEREAS:

- A. the Lender has agreed to lend and the Borrowers have agreed to borrow a non-revolving loan in the sum of \$7,000,000 (the “Loan”), and in furtherance thereof the Lender and the Borrowers have entered into a commitment letter dated for reference March 2, 2021 (the “Commitment Letter”); and
- B. the parties have agreed that this Agreement supersedes and replaces the Commitment Letter and the Loan is to be made on the terms and conditions hereinafter set forth; and

- C. it is a condition of the Lender agreeing to make the Loan to the Borrowers that the Borrowers agree to repay the Loan, pay the Loan Application Fee, Setup Fee, Lender's Fee, and all protective disbursements and other costs incurred by the Lender in connection with the Security granted pursuant to this Agreement, all other amounts provided for herein and all costs and charges, including but not limited to reasonable legal fees, disbursements and taxed incurred in connection herewith, and such amount shall be reduced by \$25,000 from the Loan Application Fee ("Lender's Fee") and the collection of the repayment of outstanding amounts and the enforcement of the Security granted hereunder (collectively the "Entire Indebtedness").

NOW THEREFORE in consideration of One Dollar (\$1.00) now paid by each party to the other (the receipt of which is hereby acknowledged) and of the mutual covenants and agreements contained herein the parties hereto covenant and agree as follows:

1. INTERPRETATION

- 1.1 **GOVERNING LAWS:** This Agreement shall in all respects be governed by and be construed in accordance with the laws of the Province of British Columbia.
- 1.2 **SEVERABILITY:** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 1.3 **ENUREMENT:** This Agreement shall enure to the benefit of and be binding on the Borrowers, the Lender and their respective heirs, successors, executors, administrators and permitted assigns.
- 1.4 **INCLUDED WORDS:** Wherever the singular or masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.
- 1.5 **BANKING DAY:** Banking Day means any day on which The Royal Bank of Canada is open to the public for business in Vancouver.
- 1.6 **HEADINGS AND REFERENCES:** The headings to the parts and clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof. Unless otherwise stated a reference herein to a numbered or lettered clause or part refers to the clause or part bearing that number or letter in this Agreement. A reference to this Agreement or herein means this Agreement, including the schedules hereto, together with any amendments thereof.

2. THE LOAN

- 2.1 The Borrowers acknowledges and affirms the statements in the preamble paragraphs to this Agreement as being true and correct in all respects and adopt them as being binding upon them.
- 2.2 The Lender has agreed to the Loan subject to the terms and conditions outlined in this Agreement.

2.3 The Loan shall be advanced to:

- (a) pay out and obtain discharges (“Discharges”) of the existing mortgages and assignments of rents granted by the Borrowers to Trichome Financial Corp. registered against the property set out in Schedule “A” hereto (the “Property”) on January 29, 2020, under Nos. CA8007907 and CA8007908 in British Columbia (“Trichome BC Charges”), and on January 30, 2020 under No. SN618250 in Ontario (“Trichome Ontario Charge”). The Borrowers shall be responsible for obtaining and registering the Discharges at its sole cost and expense;
- (b) pay the Lender’s set-up fee of \$965,000 (“Setup Fee”);
- (c) pay all the Lender’ expenses including but not restricted to legal fees, disbursements and taxes incurred in connection with the negotiation, due diligence, preparation of the security documents and all other legal services rendered to the Lender in respect of the Loan; and
- (d) fund the Borrowers’ ongoing business operations.

2.4 To induce the Lender to enter into this Agreement, the Borrowers have paid to the Lender a non-refundable loan application fee of \$50,000, of which \$25,000 shall be set off against the Lender’s Fee (the “Loan Application Fee”) to be applied against expenses incurred by the Lender in connection with the Loan, regardless of whether the Loan is advanced or not, receipt of which shall be acknowledged by execution of this Agreement.

2.5 The Lender shall not be required to advance any further sums other than the Initial Advance. Future advances may be made at the discretion of the Lender and only for the purpose of preserving the Property (as defined below) and its value, for dealing with environmental issues relating to the Property and for environmental remediation work on the Property and all consultants, legal and other costs incurred by the Lender in connection with the administration of the Loan and enforcing its terms.

2.6 Receipt of the Loan shall be evidenced by a promissory note from the Borrowers in favour of the Lender in the amount of \$7,000,000 together with Interest (as defined below) representing the amount to be repaid on or before the Due Date (as defined below).

2.7 The Borrowers shall authorize and direct the payment of the Lender’s legal accounts incurred in connection with the Loan and the Security (as defined below) provided in connection therewith from the Loan Application Fee, Setup Fee and the Initial Advance, and the Borrowers agrees that such amounts are included in the Entire Indebtedness and shall be repaid by the Borrowers.

3. REPAYMENT TERMS

3.1 The agreed upon amount of \$7,000,000 as the deemed aggregate amount owing to the Lender by the Borrowers is secured by the security as of the Effective Date with interest

accruing as set forth in paragraph 3.4 below and which indebtedness shall be evidenced by a promissory note (the "Promissory Note") from the Borrowers in favour of the Lender in the principal amount of \$7,000,000 together with Interest (as defined below) representing the amount to be repaid within eighteen (18) months of the Effective Date (the "Due Date")

- 3.2 MONTHLY PAYMENTS: The full amount of the Loan plus any costs, charges, fees, interest, or other amounts payable, accrued or unpaid, are to be repaid on the Due Date. Notwithstanding the foregoing, the Borrowers shall pay monthly interest only payments, calculated on the outstanding balance of the Loan, calculated and compounded monthly, in arrears.
- 3.3 The Borrowers agree to forthwith pay to the Lender any amounts incurred by the Lender in accordance with this Agreement within five business days of the Lender providing notice in writing of the required reimbursement payment.
- 3.4 The Lender agrees not to make demand under the Promissory Note unless and until there has been an event of default under this Agreement or any of the security granted in connection herewith.
- 3.5 INTEREST RATE: The Borrowers shall pay monthly interest and overdue interest, calculated and compounded monthly, both before and after demand for payment or judgement, or both, at the Royal Bank of Canada prime lending rate plus 1.25%, ("Interest") adjusted automatically with each quoted or published change in rate, until the Entire Indebtedness is repaid.
- 3.6 OUTSTANDING INTEREST: Any Interest not paid when due shall bear interest at the same rate as set forth in paragraph **Error! Reference source not found.**, and shall be payable on demand.
- 3.7 DISCHARGE: Upon full payment of the Entire Indebtedness and a discharge fee of \$1,000, the Lender shall discharge any registered security under the Loan.

4. TERM & PREPAYMENT

- 4.1 TERM: The term of the Loan ("Term") shall be for eighteen (18) months from the date of the Initial Advance.
- 4.2 DUE DATE: The Entire Indebtedness shall be repaid without notice or demand on or before eighteen (18) months from the Effective Date and shall be repaid by payment to the Lender of the Entire Indebtedness together with any other amounts payable hereunder or under any of the security granted in connection herewith.
- 4.3 PREPAYMENT: The Borrowers may prepay the Loan in full, at any time, without notice, interest or penalty, so long as the Loan is in good standing.

5. SECURITY BY THE BORROWERS

5.1 SECURITY: The Borrowers hereby assign, transfer and set over to the Lender as security for the Borrowers' obligations pursuant to this Agreement:

- (a) a promissory note in the amount of \$7,000,000;
- (b) mortgages and assignments of rents over the Property;
- (c) an environmental indemnity agreement;
- (d) an encumbrance and charge of all of the Borrowers' right, title and interest in the Borrowers' current and after-acquired personal property and assets by way of a general security agreement wheresoever situate, subject only to the registrations shown on the Personal Property Registry searches attached hereto as Schedule "B" hereto;
- (e) assignment of proceeds from the Borrowers' sales;
- (f) assignments and postponements of creditors' claims from creditors of the Borrowers;
- (g) joint and several unlimited guarantees inclusive of assignments and postponements of creditor's claims from each of the Guarantors;
- (h) general security agreements from the Borrowers and Guarantors inclusive of serial specific registration on certain assets;
- (i) share pledge agreements from subsidiary corporations of Heritage Cannabis Holdings Corp. as set forth in the Borrowers' Organization Chart attached as Schedule "C" to this Agreement, and in particular, 1186360 B.C. Ltd., Stanley Park Digital Ltd., Heritage Cannabis Exchange Corp., and Heritage US Holdings Corp.;
- (j) title insurance;
- (k) assignments of all risk insurance;
- (l) assignments of material contracts;
- (m) solicitors' opinions for Borrowers; and
- (n) such other security as the Lender's legal counsel shall require, acting reasonably,

(the documents referred to in sub-paragraphs (a) through (j) above are collectively referred to herein as the "Security" or the "Security Documents").

5.2 FURTHER SECURITY: The Borrowers are to provide such further mortgages or other security as may be required by the Lender from time to time.

6. **BORROWERS' AND GUARANTORS' REPRESENTATIONS AND WARRANTIES**

- 6.1 **GENERAL:** The Borrowers and Guarantors jointly and severally represent and warrant to the Lender as set forth herein. Representations and warranties made hereunder shall survive the Loan Advance.
- 6.2 **STATUS OF HERITAGE CANNABIS HOLDINGS CORP. ("HERITAGE HOLDINGS"):** Heritage Holdings is a corporation duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. Heritage Holdings has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.
- 6.3 **STATUS OF CANNACURE CORPORATION ("CANNACURE"):** CannaCure is a corporation duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. CannaCure has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.
- 6.4 **STATUS OF VOYAGE CANNABIS CORP. ("VOYAGE"):** Voyage is a corporation duly incorporated, validly existing and in good standing under the laws of the Province of British Columbia and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. Voyage has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.
- 6.5 **STATUS OF 1005477 B.C. LTD. ("1005477"):** 1005477 is a corporation duly incorporated, validly existing and in good standing under the laws of the Province of British Columbia and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. 1005477 has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.
- 6.6 **STATUS OF PUREFARMA SOLUTIONS INC. ("PUREFARMA"):** Purefarma is a corporation duly incorporated, validly existing and in good standing under the laws of the Province of British Columbia and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. Purefarma has all requisite corporate power and authority to carry on its business and to enter into this Agreement

and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.

- 6.7 STATUS OF CALYX LIFE SCIENCES CORP. (“CALYX”): Calyx is a corporation duly incorporated, validly existing and in good standing under the laws of the Province of British Columbia and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. Calyx has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.
- 6.8 STATUS OF 5450 REALTY INC. (“5450 REALTY”): 5450 Realty is a corporation duly incorporated, validly existing and in good standing under the laws of the Province of British Columbia and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. 5450 Realty has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.
- 6.9 STATUS OF 333 JARVIS REALTY INC. (“333 JARVIS”): 333 Jarvis a corporation duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. 333 Jarvis has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.
- 6.10 STATUS OF PREMIUM 5 LTD. (“PREMIUM 5”): Premium 5 is a corporation duly incorporated and amalgamated, validly existing and in good standing under the laws of the Province of Alberta and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. Premium 5 has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.
- 6.11 STATUS OF HERITAGE CANNABIS EXCHANGE CORP. (“HERITAGE EXCHANGE”): Heritage Exchange is a corporation duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. Heritage Exchange has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.

- 6.12 **BINDING EFFECT:** This Agreement has been duly and validly authorized, executed and delivered by the Borrowers and Guarantors to the Lender and is a valid obligation of the Borrowers and Guarantors and legally binding on them and enforceable in accordance with its terms.
- 6.13 **CONTRAVENTION OF LAW:** Neither the execution and delivery of this Agreement or any of the Security granted in connection herewith nor the performance of or compliance with their respective terms will contravene any provision of any law, regulation, order or permit applicable to any of the Borrowers or Guarantors, or result in a breach, or constitute a default under, or require any consent under the terms or conditions of any agreement or instrument to which any of the Borrowers or Guarantors is a party or by which any of the Borrowers or Guarantors is bound.
- 6.14 **COMPLIANCE WITH OTHER INSTRUMENTS:** None of the Borrowers or Guarantors is in default under any agreement or instrument to which any of the Borrowers or Guarantors is a party and which default may materially adversely affect its business or financial condition.
- 6.15 **LITIGATION:** There are no pending or threatened actions or proceedings against any of the Borrowers or Guarantors before any court or administrative agency which may adversely affect ownership or control of their assets, their business or financial condition.
- 6.16 **LICENCES, PERMITS AND CONSENTS:** The Borrowers and Guarantors have all licences, permits and consents under any federal, provincial or municipal statute or by-law or otherwise, as are requisite for the carrying on of business of the Borrowers and Guarantors, including but without restricting the generality of the foregoing, Licence Nos. LIC-81WQTM2WBL-2018-3, LIC-1WWUVE76T8-2018-3, LIC-1OFZ019P4Z-2020, LIC-81WQTM2WBL-2018-3, LIC-TUFEZWBC14-2020, and LIC-1WWUVE76T8-2018-3 (“Cannabis Licences”) issued by the Controlled Substances and Cannabis Branch, Health Canada, Government of Canada pursuant to the *Cannabis Act* (S.C. 2018, c. 16) and *Cannabis Regulations* in respect thereof.
- 6.17 **CSE LISTING:** The Borrower, Heritage Cannabis Holdings Corp. is a reporting issuer or the equivalent in Good Standing in all of the provinces of British Columbia, Alberta, Ontario, New Brunswick, and Nova Scotia. and is in compliance in all material respects with its continuous and timely disclosure obligations under Applicable Laws and the rules and regulations of the Canadian Securities Exchange (“CSE”).

6.18 DISCLOSURE OF EXISTING SECURITY:

- (a) The Borrowers and Guarantors represent and warrant to the Lender that the security shown in the searches attached as Schedules "B" and "D" attached hereto is the only security granted by them.
- (b) The Borrowers and Guarantors represent and warrant to the Lender that the Ontario Personal Property Registry charge 20190510 1441 1530 0647 in favour of the Bank of Montreal ("BMO Charge") is in respect of a \$50,000 credit limit credit card, secured by a pledge of Heritage Holding's GIC account with the Bank of Montreal ("BMO") in the principal amount of \$50,000.
- (c) The Borrowers and Guarantors covenant and agree to remove and discharge any builders lien or certificates of pending litigation from the title of the Property forthwith following the execution of this Agreement and to ensure that at all times the titles to the Property remains unencumbered by any further financial or other charges.

6.19 LEGAL AND BENEFICIAL OWNERSHIP: The Borrowers and Guarantors represent and warrant that the 5450 Property is legally and beneficially owned by 5450 Realty Inc. and the 333 Property is legally and beneficially owned by 333 Jarvis Realty Inc.

7. COVENANTS

- 7.1 CONTINUING COVENANTS: The Borrowers covenant and agree that, except with the prior written consent of the Lender, until all amounts due or to become due under this Agreement have been paid in full to the Lender they will jointly, severally and duly perform and observe each and all of their covenants and agreements herein set forth and the Borrowers shall not assign, transfer, or dispose of any interest in the Property.
- 7.2 PRIOR LENDER: The Borrowers warrant that a portion of the Loan proceeds will be utilized to fully payout Trichome Financial Corp. and discharge, among other personal property registrations, the Trichome BC Charges and the Trichome Ontario Charge.
- 7.3 COMPLIANCE WITH TERMS OF LOAN: The Borrowers and Guarantors will be jointly and severally liable for the repayment of the Loan, Interest and all other costs, charges or expenses incurred in connection herewith and amounts which may become payable hereunder as provided for in this Agreement.
- 7.4 NEGATIVE PLEDGE: The Borrowers and Guarantors will not, without the prior written consent of the Lender create, assume or have outstanding, except to the Lender, following the date hereof, any additional mortgage, pledge, charge, assignment or other security over their respective assets, except (i) those existing as of the date hereof as set out in the title searches attached hereto as Schedule C attached hereto, (ii) capital lease obligations up to a maximum of \$350,000 secured by a lien taken or reserved in personal property to secure payment of all or part of its purchase price (or to secure financing to fund such purchase price), provided that such lien (a) secures an amount not exceeding the lesser of the purchase price of such personal property and the fair market value of such personal property at the time such lien is taken or reserved, (b)

extends only to such personal property and its proceeds, and (c) is granted prior to or within 270 days after the purchase of such personal property, (iii) liens imposed by law, such as carriers', warehousemen's and mechanics' liens or other liens arising out of applicable law or judgments or awards with respect to which an appeal or other proceeding for review is being prosecuted (and as to which any foreclosure or other enforcement proceeding shall have been effectively stayed), (iv) liens for taxes, assessments and government charges and levies not yet subject to penalties for non-payment or which are being contested in good faith and by appropriate proceedings (and as to which foreclosure or other enforcement proceedings shall have been effectively stayed), (v) securities to public utilities or to any governmental authority when required by the utility or other authority in connection with the supply of services or utilities to the Borrowers or the Guarantors; and (vi) undetermined or inchoate liens, arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with applicable law or of which written notice has not been duly given in accordance with applicable law or which, although filed or registered, relate to obligations not due or delinquent.

- 7.5 FORBEARANCE: No neglect or forbearance of the Lender in endeavouring to obtain payment of the Loan, Interest or other payments required to be made under the provisions of this Agreement as and when the same become due, no delay of the Lender in taking any steps to enforce performance or observance of the several covenants, observed or to be kept by the Borrowers and Guarantors, no extension or extensions of time which may be given by the Lender from time to time to the Borrowers and Guarantors or any of them, and no other act or failure to act of or by the Lender shall release, discharge or in any way reduce the obligations of the any of the Borrowers and Guarantors hereunder.
- 7.6 NO DIVIDENDS OR REPAYMENTS TO NON-ARM'S LENGTH PARTIES BY CORPORATE BORROWERS AND GUARANTORS: Each of the Borrowers and Guarantors covenants and agrees that for so long as the indebtedness to the Lender remains outstanding that it will not, directly or indirectly pay any amount to any director, officer or shareholder or other party not dealing with the Borrowers at arm's length, other than employment income, consulting fees, or similar payments made in the ordinary course of business.
- 7.7 NO CHANGE OF CONTROL: The Borrowers and Guarantors shall not, during the term of the Loan, authorize or permit any change of the Borrowers' and Guarantors' shareholders without the consent of the Lender, such consent not to be unreasonably withheld or delayed.
- 7.8 LICENCES, PERMITS AND CONSENTS: The Borrowers covenant and agree that during the term of the loan they shall maintain and keep in good standing all licences, permits and consents under any federal, provincial or municipal statute or by-law or otherwise, as are requisite for the carrying on of business of the Borrowers, including but without restricting the generality of the foregoing Cannabis Licences.
- 7.9 CSE LISTING: Heritage Cannabis Holdings Corp. covenants and agrees that during the term of the loan it shall maintain and keep in good standing its status as a reporting

issuer or the equivalent in Good Standing in all of the provinces of British Columbia, Alberta, Ontario, New Brunswick, and Nova Scotia and remain in compliance in all material respects with its continuous and timely disclosure obligations under Applicable Laws and the rules and regulations of the Canadian Securities Exchange.

7.10 PRIOR LENDER: The Borrowers and Guarantors further covenant and agree that the maximum amount due and owing to BMO in respect of the BMO Charge will not exceed the sum of \$50,000 at any time.

8. EVENTS OF DEFAULT AND REMEDIES

8.1 EVENTS OF DEFAULT: Any one or more of the following events shall constitute an event of default (an "Event of Default") (whether any such Event of Default shall be voluntary or involuntary or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (a) any material adverse change in the financial affairs of the Borrowers and Guarantors or any of them;
- (b) the direct or indirect assignment, transfer or disposition of any interest in the Property;
- (c) the failure by the Borrowers and Guarantors or any of them to perform or observe any of the covenants, conditions or agreements to be performed or observed by the Borrowers and Guarantors or any of them hereunder, unless such default, if capable of being remedied, is remedied within five business days of the Borrowers receipt of notice from the Lender;
- (d) the failure of the Borrowers and Guarantors or any of them to maintain and protect the value of the Security granted to the Lender pursuant to this Agreement;
- (e) if any representation or warranty of the Borrowers and Guarantors or any of them under this Agreement is untrue, incomplete or fails to disclose the full and true state of facts;
- (f) the breach by any of the Borrowers and Guarantors of any term, provision, covenant or agreement contained in this Agreement or in any Security Document granted or provided to the Lender in connection with the Loan or in order to secure the Loan, unless such default, if capable of being remedied, is remedied within five business days of the Borrowers receipt of notice from the Lender;
- (g) the breach by any of the Borrowers and Guarantors of any term, provision, covenant or agreement contained in the BMO Charge, or in any Security Document granted or provided in connection with the BMO Charge constitute a breach under the Loan;

- (h) the making by the Borrowers and Guarantors or any of them of a proposal or general assignment for the benefit of their creditors or other acknowledgement of their insolvency;
- (i) the appointment of a liquidator, receiver, receiver-manager or receiver and manager of the Borrowers and Guarantors or any of them or any part of their property or assets; or
- (j) enforcement of any execution, sequestration, extent or any other process of any Court against the Borrowers and Guarantors or any of them, or the levy of a distress or analogous process upon their property or assets or any part thereof unless the execution, sequestration, extent or other process of the court of distress or analogous process is in good faith disputed by the Borrowers and Guarantors or any of them and the Borrowers and Guarantors give adequate security to the Lender to fully pay the claim.

8.2 REMEDIES UPON DEFAULT: Upon the occurrence of an Event of Default and at any time thereafter, the Lender may, in its discretion, by notice to all of the Borrowers and Guarantors to:

Heritage Cannabis Holdings Corp.
77 Bloor Street West, Suite 600
Toronto, ON M5S 1M2

Attn: Daniel Phaure/Clinton Sharples

Email: dphaure@heritagecann.com & csharples@heritagecann.com

declare this Agreement to be in default. At any time thereafter, the Lender, at its discretion and subject to compliance with any mandatory requirements of applicable law then in effect, may declare the then outstanding balance on the indebtedness, all outstanding Interest and costs incurred by the Lender in collecting payments required hereunder including but not limited to legal costs and expenses (on a solicitor and his own client basis) and all monies owing by the Borrowers and Guarantors or any of them and all liabilities of the Borrowers and Guarantors or any of them hereunder immediately due and payable and such moneys and liabilities shall forthwith become due and payable without presentment, demand, protest or other notice of any kind to the Borrowers and Guarantors or any of them, all of which are hereby expressly waived and the Lender may thereupon seize the security and transfer it into its name or the name of its order without notice to the Borrowers and Guarantors or any of them.

8.3 INTEREST ON ADDITIONAL COSTS AND CHARGES: Upon the occurrence of an Event of Default, interest shall commence to accrue and be payable on all professional fees and other costs and expenses incurred in collecting the indebtedness including but not limited to legal charges on a solicitor and his own client basis and other costs and expenses, both before and after judgment, at the rate of twenty four (24%) percent per annum calculated annually and payable monthly, in arrears, on the outstanding amount.

8.4 WAIVER: Lender may by written instrument at any time waive any breach by the Borrowers and Guarantors or any of them of any of their covenants and obligations herein.

9. MISCELLANEOUS

9.1 NOTICES: any notice, direction or other instrument required or permitted to be given under this Agreement, by any party hereto to the other(s) shall be in writing and may be given by delivering same or sending same by facsimile, email, telecommunication device or other similar form of communication to the addresses of each of the parties set out on the first page of this Agreement. Any notice, direction or instrument aforesaid shall be deemed to have been given or made at the time of delivery provided that any delivery on a day which is not a Banking Day shall not be deemed to be delivered until the next Banking Day. Any party may give written notice of a change of address in the same manner, in which event such notice shall be given at such changed address.

9.2 CHANGES: This Agreement or any provision hereof may be amended, waived, discharged or terminated only by instrument in writing signed by the party against whom enforcement is sought.

9.3 JOINT & SEVERAL OBLIGATIONS: Any covenant, agreement, condition or proviso made by two or more persons shall be construed as several as well as joint.

9.4 TIME OF ESSENCE: Time is declared and stipulated to be of the essence hereof.

9.5 ASSIGNMENT: Except as provided in this Agreement, the Borrowers and Guarantors or any of them will not, without the prior consent of the Lender, assign any of their rights hereunder.

9.6 ENTIRE AGREEMENT: This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and undertakings whether oral or written relative to the subject matter hereof and that the terms hereof supersede and replace the terms of the Mortgage or any underlying debt instrument in connection therewith to the extent of any inconsistency between the terms thereof and the terms of this Agreement.

9.7 LENDER'S RECORDS: The Lender's records shall be conclusive evidence of the amount outstanding hereunder.

9.8 INDEPENDENT LEGAL ADVICE: The Borrowers and Guarantors acknowledge and agree that Watson Goepel LLP and Dickinson Wright LLP have represented only the Lender and that each of them has been advised to seek, had the opportunity to seek, and were not prevented from seeking independent legal advice prior to the execution and delivery of this Agreement and that, if any party hereto did not avail itself, himself or herself of that opportunity prior to signing this Agreement, that party did so voluntarily without any pressure or influence by any other party hereto and agrees that its, his or her failure to obtain independent legal advice may not be used by such party as a defence to the enforcement of such party's obligations under this Agreement and the Security.

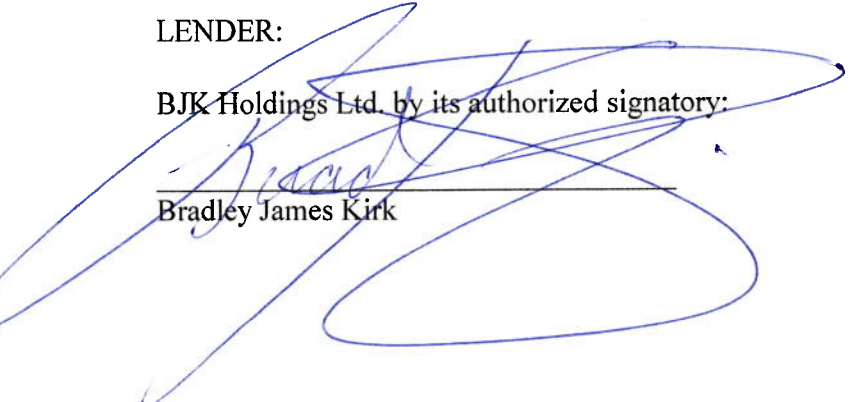
- 9.9 FURTHER ASSURANCES: Each of the parties hereby covenants and agrees to execute any further and other documents and instruments and to so any further and other things that may be necessary to implement and carry out the intent hereof.
- 9.10 SEVERABILITY: If a provision of this Agreement shall be found to be wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part of this Agreement.
- 9.11 GENDER AND NUMBER: Wherever the singular or the masculine is used it shall be construed as meaning the plural or feminine or the body politic or corporate where the parties hereto so require.
- 9.12 COUNTERPARTS: This Agreement may be executed electronically (including using DocuSign) in several counterparts, including by facsimile, electronic mail or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes and each of which when executed shall be deemed to be an original and such counterparts together shall be one and the same instrument.
- 9.13 PARTIAL EXECUTION: This instrument shall be operative and binding upon those parties signing this Agreement notwithstanding the non-execution thereof by any other proposed signatory and possession of this instrument by the lender shall be conclusive evidence against the Borrowers and Guarantors or any of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until all conditions precedent or subsequent have been complied with.

[signature pages follow]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

LENDER:

BJK Holdings Ltd. by its authorized signatory:



Bradley James Kirk

IN WITNESS WHEREOF the Borrowers and Guarantors have caused this Loan Agreement to be duly executed and delivered as of the date first above written.

Borrowers:

Heritage Cannabis Holdings Corp. by its authorized signatories:

Clint Sharples

Clinton Blair Sharples

G. Staley

Graeme L. Staley

CannaCure Corporation by its authorized signatories:

Clint Sharples

Clinton Blair Sharples

Donald Ziraldo

Donald Ziraldo

Voyage Cannabis Corp. by its authorized signatories:

not required - authorized by resolution

Debra Lynn Senger

Clint Sharples

Clinton Blair Sharples

Guarantors:

1005477 BC Ltd. by its authorized signatory:

Clint Sharples

Clinton Blair Sharples

Premium 5 Ltd. by its authorized signatory:

Clint Sharples

Clinton Blair Sharples

Calyx Life Sciences Corp. by its authorized signatories:

Debra Lynn Senger

Debra Lynn Senger

Clint Sharples

Clinton Blair Sharples

Heritage US Holdings Corp. by its authorized signatory:

Clint Sharples

Clinton Blair Sharples

333 Jarvis Realty Inc. by its authorized signatory):

Clint Sharples

Clinton Blair Sharples

Heritage Cannabis Exchange Corp. by its authorized signatory:

Clint Sharples

Clinton Blair Sharples

Purefarma Solutions Inc. by its authorized signatories:

G. Staley

Graeme L. Staley

Clint Sharples

Clinton Blair Sharples

5450 Realty Inc. by its authorized signatory:

Clint Sharples

Clinton Blair Sharples

THIS AMENDING AGREEMENT (the “Amending Agreement”) made effective as of the 6th day of October, 2021.

AMONG:

BJK Holdings Ltd., of
238 22 Street N, Lethbridge, Alberta T1H 3R7

(the “Lender”)

OF THE FIRST PART

AND:

Heritage Cannabis Holdings Corp., CannaCure Corporation, and 333 Jarvis Realty Inc., each with a registered and records office address of
77 Bloor Street West, Suite 600, Toronto, ON M5S 1M2, and

Voyage Cannabis Corp., and 5450 Realty Inc., with a registered and records office addresses of
c/o Pushor Mitchell LLP, 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3

(together the “Borrowers”)

OF THE SECOND PART

AND:

1005477 B.C Ltd., Calyx Life Sciences Corp., and Purefarma Solutions Inc., each with a registered and records office address of
c/o Pushor Mitchell LLP, 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3,

Heritage Cannabis Exchange Corp., with a registered and records office address of
77 Bloor Street West, Suite 600, Toronto, ON M5S 1M2, and

Premium 5 Ltd. with a registered and records office address of
#168, 11602 – 88th Avenue, Fort Saskatchewan, AB T8L0K1

(together the “Guarantors”)

OF THE THIRD PART

WHEREAS:

- A. On March 29, 2021, the Lender, Borrowers and Guarantors entered into a Loan Agreement the (“Initial Loan Agreement”) whereby the Lender agreed to lend, and the Borrowers agreed to borrow a non-revolving loan in the sum of \$7,000,000 (the “Initial Loan”), guaranteed by the Guarantors; and
- B. the parties are desirous of amending the Loan Agreement by establishing credit facilities as follows:

1. **FACILITY 1:** the Initial Loan is increased to \$7,175,000 and its due date extended to February 1st, 2023;
2. **FACILITY 2:** an additional loan of \$2,600,000 will be advanced at the Royal Bank of Canada prime lending rate plus 1.25% adjusted automatically with each quoted or published change in rate, until the Entire Indebtedness is repaid on or before the date of February 1st, 2023; and
3. **FACILITY 3:** a revolving line of credit up to maximum of \$5,000,000 shall be established at an interest rate of 18% per annum, calculated daily and payable monthly,

for a total of \$14,775,000 (collectively the “Loan”) on the terms and conditions hereinafter set forth; and

- C. it is a condition of the Lender agreeing to amend the Initial Loan to the Borrowers that the Borrowers agree to repay the Loan, pay the Loan Application Fee, Setup Fee, Lender’s Fee, and all protective disbursements and other costs incurred by the Lender in connection with the Security granted pursuant to the Initial Loan Agreement as amended by this Amending Agreement, all other amounts provided for herein and all costs and charges, including but not limited to reasonable legal fees, disbursements and taxes incurred in connection herewith and the collection of the repayment of outstanding amounts and the enforcement of the Security granted hereunder (collectively the “Entire Indebtedness”).

NOW THEREFORE in consideration of One Dollar (\$1.00) now paid by each party to the other (the receipt of which is hereby acknowledged) and of the mutual covenants and agreements contained herein the parties hereto covenant and agree as follows:

INTERPRETATION

- 1.1 **Governing Law:** This Amending Agreement shall in all respects be governed by and be construed in accordance with the laws of the Province of British Columbia.
- 1.2 **Severability:** If any one or more of the provisions contained in this Amending Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 1.3 **Enurement:** This Amending Agreement shall enure to the benefit of and be binding on the Borrower, the Lender and their respective heirs, successors, executors, administrators and permitted assigns.
- 1.4 **Included Words:** Wherever the singular or masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.

- 1.5 Banking Day: Banking Day means any day on which The Royal Bank of Canada is open to the public for business in Vancouver.
- 1.6 Headings and References: The headings to the parts and clauses of this Amending Agreement are inserted for convenience only and shall not affect the construction hereof. Unless otherwise stated a reference herein to a numbered or lettered clause or part refers to the clause or part bearing that number or letter in this Amending Agreement. A reference to this Agreement or herein means this Amending Agreement, including the schedules hereto, together with any amendments thereof.
- 1.7 Defined Terms: Words and phrases used herein as defined words and phrases but not otherwise defined herein shall have the meaning attributed to them in the Amending Agreement.

2. AMENDMENTS TO LOAN

- 2.1 The parties have agreed that this Amending Agreement amends the Initial Loan Agreement by establishing credit facilities as follows:

FACILITY 1: the Initial Loan is increased to \$7,175,000, with the increase of \$175,000 to the Initial Loan to be used by the Borrower to pay to the Lender a fee of \$175,000 (the “Extension Fee”) to extend the due date to February 1st, 2023;

FACILITY 2: an additional loan of \$2,600,000 inclusive of a \$350,000 Set Up Fee (“Facility 2”) paid to the Lender by the Borrower will be advanced at the Royal Bank of Canada prime lending rate plus 1.25% adjusted automatically with each quoted or published change in rate, until the Entire Indebtedness is repaid on the date of February 1st, 2023, with Facility 2 advanced to fund capital asset acquisitions of the Borrower; and

FACILITY 3: a revolving line of credit up to maximum of \$5,000,000 (“Facility 3”) shall be established at an interest rate of 18% per annum, calculated daily and payable monthly, with available funds at any time being the lesser of \$5,000,000 or the sum of 40% of un-invoiced government-backed purchase orders on hand plus 65% of government-backed accounts receivable less than 60 days old, for a total of \$14,775,000 (collectively the “Loan”) on the terms and conditions hereinafter set forth.

- 2.2 Paragraph 3.1 of the Initial Loan Agreement is deleted in its entirety and replaced with the following:

The agreed upon amount of \$14,775,000 as the deemed aggregate amount owing to the Lender by the Borrowers is secured by the security as of the Effective Date with interest accruing as set forth in paragraph 3.5 below and which indebtedness shall be evidenced by a promissory note (the “Promissory Note”) from the Borrowers in favour of the Lender in the principal amount of \$14,775,000 together with Interest (as defined below) representing the amount to be repaid on or before February 1st, 2023 (the “Due Date”).

- 2.3 Paragraph 4.2 of the loan Agreement is deleted in its entirety and replaced with the following:

DUE DATE: The Loan shall be repaid in full without notice or demand on or February 1st, 2023 and shall be repaid by payment to the Lender of the full Loan amount together with any other amounts payable hereunder or under any of the security granted in connection herewith.

- 2.4 In furtherance of the amendment to the Loan Agreement the original Security granted by the Borrowers and Guarantors to the Lender thereunder shall be replaced with amended security to reflect the new credit facilities agreed upon in Paragraph 2.1 above. The Borrowers and Guarantors agree to amend or to provide such further mortgages or other security as may be required by the Lender from time to time in furtherance of this Amending Agreement, including specific security for capital assets acquired by the Borrower exceeding a purchase price of \$50,000.

- 2.5 If the Loan is repaid in its entirety on or before October 1st, 2022, the Lender will repay the \$175,000 Extension Fee for Facility 1 to the Borrowers.

3. WARRANTS

- 3.1 The Borrower will grant to the Lender warrants to acquire up to 10,000,000 shares in the capital of the Borrower at an exercise price of \$0.25 per share (subject to any adjustment for any dilutive equity transactions during the terms of such warrants) on a term of 24 months, with a form of warrant certificate satisfactory to the Lender.

4. BORROWER' REPRESENTATIONS AND WARRANTIES

- 4.1 The Borrower represents and warrants to the Lender that the Amending Agreement as amended hereby continues to be a valid obligation of the Borrower legally binding on him and enforceable in accordance with its terms.
- 4.2 The Borrower represents and warrants to the Lender that the Borrower is not in default under any obligation of under the Loan Agreement.

5. ADDITIONAL COVENANT

- 5.1 Any capital assets, real or personal acquired by the Borrower exceeding a purchase price of \$50,000 shall be added as separate and specific security to the existing security under the Initial Loan Agreement and this Amending Agreement.

6. MISCELLANEOUS

- 6.1 The Borrower and the Lender agree that, except as specifically amended by this Amending Agreement, all of the terms, conditions and covenants of the Initial Loan Agreement remain in full force and effect.

- 6.2 The Initial Loan Agreement as amended by this Amending Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and undertakings whether oral or written relative to the subject matter hereof.
- 6.3 The Lender's records shall be conclusive evidence of the amount outstanding under this Loan.
- 6.4 The parties hereto acknowledge and agree that each of them has been advised to seek, had the opportunity to seek, and was not prevented from seeking independent legal advice prior to the execution and delivery of this Amending Agreement and that, if any party hereto did not avail itself, himself or herself of that opportunity prior to signing this Amending Agreement, that party did so voluntarily without any pressure or influence by any other party hereto and agrees that its, his or her failure to obtain independent legal advice may not be used by such party as a defence to the enforcement of such party's obligations under this Amending Agreement.
- 6.5 Each of the parties hereby covenant and agree to execute any further and other documents and instruments and to do any further and other things that may be necessary to implement and carry out the intent hereof.
- 6.6 If a provision of this agreement shall be found to be wholly or partially invalid, this agreement shall be interpreted as if the invalid provision had not been a part of this Amending Agreement.
- 6.7 Counterparts: This Amending Agreement may be executed in several counterparts, including by facsimile, electronic mail or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes and each of which when executed shall be deemed to be an original and such counterparts together shall be one and the same instrument.

IN WITNESS WHEREOF the parties hereto have caused this Amending Agreement to be duly executed and delivered as of the date first above written.

THE LENDER:

BJK Holdings Ltd. by its authorized signatory:



Bradley J. Kirk

IN WITNESS WHEREOF the Borrowers and Guarantors have caused this Amending Agreement to be duly executed and delivered as of the date first above written.

BORROWERS:

Heritage Cannabis Holdings Corp. by its authorized signatories:

Voyage Cannabis Corp. by its authorized signatories:

DocuSigned by:
David Schwede
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David Schwede

DocuSigned by:
David Schwede
45DB3351CE1C45C

David Schwede

CannaCure Corporation by its authorized signatories:

333 Jarvis Realty Inc. by its authorized signatory):

DocuSigned by:
Clint Sharples
C83AC2C08703475

Clinton Blair Sharples

DocuSigned by:
David Schwede
45DB3351CE1C45C

David Schwede

5450 Realty Inc. by its authorized signatory:

DocuSigned by:
David Schwede
45DB3351CE1C45C

David Schwede

GUARANTORS:

1005477 BC Ltd. by its authorized signatory:

DocuSigned by:
David Schwede
45DB3351CE1C45C

David Schwede

Premium 5 Ltd. by its authorized signatory:

Heritage Cannabis Exchange Corp. by its authorized signatory:

DocuSigned by:
David Schwede
45DB3351CE1C45C

David Schwede

DocuSigned by:
David Schwede
45DB3351CE1C45C

David Schwede

Calyx Life Sciences Corp. by its authorized signatories:

Purefarma Solutions Inc. by its authorized signatories:

DocuSigned by:
David Schwede
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David Schwede

DocuSigned by:
David Schwede
45DB3351CE1C45C

David Schwede

THIS SECOND LOAN AMENDING AGREEMENT (“Loan Amendment #2”) made effective as of the 29th day of September, 2022.

AMONG:

BJK Holdings Ltd., of
238 22 Street N, Lethbridge, Alberta T1H 3R7

(the “Lender”)

OF THE FIRST PART

AND:

Heritage Cannabis Holdings Corp., CannaCure Corporation, and 333 Jarvis Realty Inc., each with a registered and records office address of
77 Bloor Street West, Suite 600, Toronto, ON M5S 1M2, and

Voyage Cannabis Corp., and 5450 Realty Inc., with a registered and records office addresses of
c/o Pushor Mitchell LLP, 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3

(together and individually, the “Borrower” or “Borrowers”)

OF THE SECOND PART

AND:

1005477 B.C Ltd., Calyx Life Sciences Corp., and Purefarma Solutions Inc., each with a registered and records office address of
c/o Pushor Mitchell LLP, 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3,

Heritage Cannabis Exchange Corp., with a registered and records office address of
77 Bloor Street West, Suite 600, Toronto, ON M5S 1M2, and

Premium 5 Ltd. with a registered and records office address of
#168, 11602 – 88th Avenue, Fort Saskatchewan, AB T8L0K1

(together and individually, the “Guarantor” or “Guarantors”)

OF THE THIRD PART

WHEREAS:

- A. On March 29, 2021, the Lender, Borrowers and Guarantors entered into a loan agreement the (“Initial Loan Agreement”) whereby the Lender agreed to lend, and the Borrowers agreed to borrow a non-revolving loan in the sum of \$7,000,000 (the “Initial Loan”), guaranteed by the Guarantors;
- B. On October 4, 2021, the Lender, Borrowers and Guarantors amended the Loan Agreement (“Loan Amendment #1”) by establishing credit facilities as follows:

1. **FACILITY 1:** the Initial Loan is increased to \$7,175,000 and its due date extended to February 1st, 2023;
2. **FACILITY 2:** an additional loan of \$2,600,000 will be advanced, at RBC Prime plus 1.25% adjusted automatically with each quoted or published change in rate, until the Entire Indebtedness (as defined in Preamble paragraph C below) is repaid on or before the date of February 1st, 2023; and
3. **FACILITY 3:** a revolving line of credit up to maximum of \$5,000,000 shall be established at an interest rate of 18.0% per annum, calculated daily and payable monthly,

for a total of \$14,775,000 (collectively, the “Loan”) on the terms and conditions hereinafter set forth;

C. the parties are desirous of amending the Loan terms and conditions by amending the terms of the existing credit facilities and adding a fourth credit facility as follows:

1. **FACILITY 1:** the Initial Loan due date is extended to November 30th, 2024, at the rates of interest as set out herein;
2. **FACILITY 2:** the due date is extended to November 30th, 2024, at the rates of interest as set out herein;
3. **FACILITY 3:** the due date is extended to November 30th, 2024, at the rates of interest as set out herein; and
4. **FACILITY 4:** a loan of \$4,985,000 on the terms and conditions as set out herein,

for a total of \$19,775,000 (collectively, “Loan Amendment #2”) on the terms and conditions hereinafter set forth and may be extended for an additional 12 months to November 30th, 2025, provided the Borrower is not in default and there is no material change to the Borrower’s business. It is a condition of the Lender agreeing to amend the Loan to the Borrowers that the Borrowers agree to repay the Loan, pay the loan amendment fee of \$985,000 (“Loan Amendment Fee”), and all protective disbursements and other costs incurred by the Lender in connection with the security (“Security”) granted under the Initial Loan Agreement, Loan Amendment #1 and Loan Amendment #2 (together with all amendments, the “Loan Agreement”), all other amounts provided for herein and all costs and charges, including but not limited to reasonable legal fees, disbursements and taxes incurred in connection herewith and the collection of the repayment of outstanding amounts and the enforcement of the Security granted hereunder (collectively the “Entire Indebtedness”).

NOW THEREFORE in consideration of One Dollar (\$1.00) now paid by each party to the other (the receipt of which is hereby acknowledged) and of the mutual covenants and agreements contained herein the parties hereto covenant and agree as follows:

1. INTERPRETATION

- 1.1 GOVERNING LAW: This Loan Amendment #2 shall in all respects be governed by and be construed in accordance with the laws of the Province of British Columbia.
- 1.2 SEVERABILITY: If any one or more of the provisions contained in this Loan Amendment #2 should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 1.3 ENUREMENT: This Loan Amendment #2 shall enure to the benefit of and be binding on the Borrower, the Lender and their respective heirs, successors, executors, administrators and permitted assigns.
- 1.4 INCLUDED WORDS: Wherever the singular or masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.
- 1.5 BANKING DAY: Banking Day means any day on which The Royal Bank of Canada is open to the public for business in Vancouver.
- 1.6 RBC PRIME: RBC Prime means the annual rate of interest Royal Bank of Canada announces from time to time as a reference rate for determining interest rates on Canadian dollar commercial loans in Canada.
- 1.7 HEADINGS AND REFERENCES: The headings to the parts and clauses of this Loan Amendment #2 are inserted for convenience only and shall not affect the construction hereof. Unless otherwise stated a reference herein to a numbered or lettered clause or part refers to the clause or part bearing that number or letter in this Loan Amendment #2. A reference to this Agreement or herein means this Loan Amendment #2, including the schedules hereto, together with any amendments thereof.
- 1.8 DEFINED TERMS: Words and phrases used herein as defined words and phrases but not otherwise defined herein shall have the meaning attributed to them in the Initial Loan Agreement.

2. AMENDMENTS TO LOAN

- 2.1 The parties have agreed that this Loan Amendment #2 amends the Initial Loan Agreement and Loan Amendment #1 by establishing credit facilities as follows:

FACILITY 1: the Initial Loan due date is extended to November 30th, 2024 at the following rates of interest:

- a. for the period October 1st, 2022, up to and including July 31st, 2023, at RBC Prime minus 1.75%;
- b. for the period August 1st, 2023, up to and including November 30th, 2024, at RBC Prime plus 10.0% but in no case less than 14% and no greater than 18.0%; and

- c. if extended to November 30th, 2025, as provided in paragraph 2.3 herein, at RBC Prime plus 10.0% but in no case less than 15.0%;

FACILITY 2: the due date is extended to November 30th, 2024, at the following rates of interest:

- a. for the period October 1st, 2022, up to and including July 31st, 2023 at RBC Prime minus 1.75%;
- b. for the period August 1st, 2023, up to and including November 30th, 2024, at RBC Prime plus 10.0% but in no case less than 14% and no greater than 18.0%; and
- c. If extended to November 30th, 2025, as provided in paragraph 2.3 herein, at RBC Prime plus 10.0% but in no case less than 15.0%;

FACILITY 3: if the amount outstanding under this Facility 3 is less than the calculated eligible amounts provided in Loan Amendment #1, the Borrower may elect to make smaller monthly payments than are required under Loan Amendment #1, being a minimum amount calculated as either the calculated monthly amount of interest or an amount equal to or greater than \$20,000 with unpaid interest being added to the principal amount of this Facility 3 and further, the due date is extended to November 30th, 2024 at the following rates of interest:

- a. for the period October 1st, 2022, up to and including July 31st, 2023, at 15.0% per annum;
- b. For the period August 1st, 2023, up to and including November 30th, 2024, at RBC Prime plus 10.0% but in no case less than 15.0% per annum; and
- c. If extended to November 30th, 2025, as provided in paragraph 2.3 herein, at RBC Prime plus 10.0% but in no case less than 15.0%; and

FACILITY 4: a loan of \$4,985,000 inclusive of the Loan Amendment Fee paid to the Lender at the time this Facility 4 is advanced with a due date of November 30th, 2024, at the following rates of interest:

- a. for the period October 1st, 2022, up to and including July 31st, 2023, at RBC Prime minus 1.75%;
- b. for the period August 1st, 2022, up to and including November 30th, 2024, at RBC Prime plus 10.0% but in no case less than 14% and no greater than 18.0%; and
- c. if extended to November 30th, 2025, as provided in paragraph 2.3 herein, at RBC Prime plus 10.0% but in no case less than 15.0%,

for a total of \$19,775,000 (collectively the “Loan”) on the terms and conditions hereinafter set forth.

- 2.2 Paragraph 3.1 of the Initial Loan Agreement is deleted in its entirety and replaced with the following:

The agreed upon amount of \$19,775,000 as the deemed aggregate amount owing to the Lender by the Borrowers is secured by the security as of the Effective Date with interest accruing as set forth in paragraph 3.5 below and which indebtedness shall be evidenced by a promissory note (the “Promissory Note”) from the Borrowers in favour of the Lender in the principal amount of \$19,775,000 together with Interest (as defined below) representing the amount to be repaid on or before November 30th, 2024 (the “Due Date”) or if extended by the Borrower, on or before November 30th, 2025.

- 2.3 Paragraph 4.2 of the Initial Loan Agreement is deleted in its entirety and replaced with the following:

DUE DATE: The Loan shall be repaid in full without notice or demand on or before November 30th, 2024, and shall be repaid by payment to the Lender of the full Loan amount together with any other amounts payable hereunder or under any of the security granted in connection herewith. On or before August 31st, 2024, the Borrower may by written notice to the Lender request that the Due Date be extended to November 30th, 2025, at the sole option of the Borrower provided it is not in default and there is no material change in the Borrower’s business or Lender’s security, such determination to be made in the Lender’s sole discretion.

- 2.4 In furtherance of Loan Amendment #2, the Security granted by the Borrowers and Guarantors to the Lender under the Loan shall be replaced with amended security to reflect the new credit facilities agreed upon in Paragraph 2.1 above. The Borrowers and Guarantors agree to amend or to provide such further mortgages or other security as may be required by the Lender from time to time in furtherance of this Loan Amendment #2, including specific security for capital assets acquired by the Borrower exceeding a purchase price of \$50,000, or as required by the Lender.

- 2.5 Paragraph 2.5 of Loan Amendment #1 is deleted in its entirety.

- 2.6 Paragraph 3.6 of the Initial Loan Agreement is deleted in its entirety and replaced with the following:

OUTSTANDING INTEREST: Any Interest not paid when due shall bear interest at the same rate as set forth in paragraph 3.5 and shall be payable on demand.

3. WARRANTS

- 3.1 The existing warrants granted by the Borrower to the Lender on October 4th, 2021, to acquire up to 10,000,000 shares in the capital of the Borrower at an exercise price of \$0.25 per share shall be extended to February 28th, 2025, provided however, that if the Borrower exercises its option to extend the Loan term by an extra 12 months, the expiry date shall be extended to February 28th, 2026.
- 3.2 The Borrower will grant to the Lender warrants to acquire up to 50,000,000 shares in the capital of the Borrower at an exercise price of \$0.10 per share (subject to any adjustment for any dilutive equity transactions during the terms of such warrants) with

an expiry date of February 28th, 2025, in a form of warrant certificate satisfactory to the Lender, provided however, that if the Borrower exercises its option to extend the Loan term by an extra 12 months, the expiry date shall be extended to February 28th, 2026.

4. BORROWER AND GUARANTOR REPRESENTATIONS AND WARRANTIES

- 4.1 Each Borrower and Guarantor represents and warrants to the Lender that the Loan Agreement as amended hereby continues to be a valid obligation of the Borrower and Guarantor, legally binding on it and enforceable in accordance with its terms.
- 4.2 Each Borrower and Guarantor represents and warrants to the Lender that the Borrower and Guarantor is not in default under any obligation of under the Loan Agreement.

5. ADDITIONAL COVENANT

- 5.1 Any capital assets, real or personal acquired by the Borrower exceeding a purchase price of \$50,000 shall be added as separate and specific security to the existing security under the Loan Agreement.

6. MISCELLANEOUS

- 6.1 Each Borrower and Guarantors, and the Lender agree that, except as specifically amended by this Loan Amendment #2, all of the terms, conditions and covenants of the Initial Loan Agreement remain in full force and effect.
- 6.2 The Loan Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and undertakings whether oral or written relative to the subject matter hereof.
- 6.3 The Lender's records shall be conclusive evidence of the amount outstanding under this Loan.
- 6.4 The parties hereto acknowledge and agree that each of them has been advised to seek, had the opportunity to seek, and was not prevented from seeking independent legal advice prior to the execution and delivery of this Loan Agreement #2 and that, if any party hereto did not avail itself, himself or herself of that opportunity prior to signing this Loan Amendment #2, that party did so voluntarily without any pressure or influence by any other party hereto and agrees that its, his or her failure to obtain independent legal advice may not be used by such party as a defence to the enforcement of such party's obligations under this Loan Amendment #2.
- 6.5 Each of the parties hereby covenant and agree to execute any further and other documents and instruments and to do any further and other things that may be necessary to implement and carry out the intent hereof.
- 6.6 The Borrower and Guarantor parties must at their expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, acts, matters and things as may be reasonably requested by the Lender for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

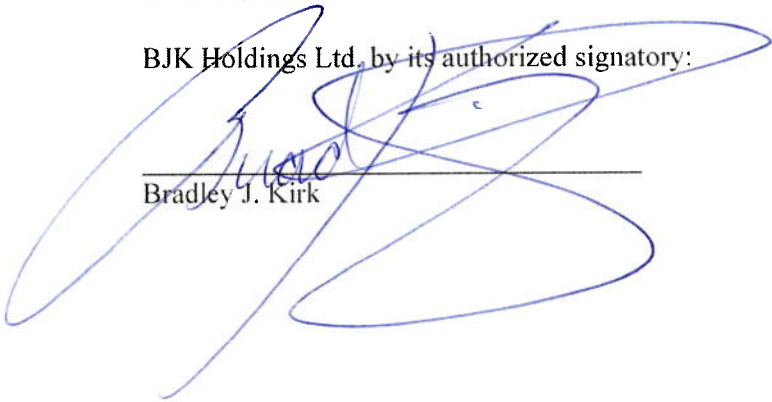
- 6.7 If a provision of this agreement shall be found to be wholly or partially invalid, this agreement shall be interpreted as if the invalid provision had not been a part of this Loan Amendment #2.
- 6.8 COUNTERPARTS: This Loan Amendment #2 may be executed in several counterparts, including by facsimile, electronic mail or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes and each of which when executed shall be deemed to be an original and such counterparts together shall be one and the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF the parties hereto have caused this Loan Amendment #2 to be duly executed and delivered as of the date first above written.

THE LENDER:

BJK Holdings Ltd. by its authorized signatory:



Bradley J. Kirk

IN WITNESS WHEREOF the Borrowers and Guarantors have caused this Loan Amendment #2 to be duly executed and delivered as of the date first above written.

BORROWERS:

Heritage Cannabis Holdings Corp. by its authorized signatory:

DocuSigned by:
David Schwede
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David Schwede

Voyage Cannabis Corp. by its authorized signatory:

DocuSigned by:
David Schwede
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David Schwede

CannaCure Corporation by its authorized signatory:

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David Schwede
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David Schwede

333 Jarvis Realty Inc. by its authorized signatory:

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David Schwede
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David Schwede

5450 Realty Inc. by its authorized signatory:

DocuSigned by:
David Schwede
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David Schwede

GUARANTORS:

1005477 BC Ltd. by its authorized signatory:

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David Schwede
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David Schwede

Premium 5 Ltd. by its authorized signatory:

David Schwede

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[Signature]
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Calyx Life Sciences Corp. by its authorized signatory:

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David Schwede
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David Schwede

Heritage Cannabis Exchange Corp. by its authorized signatory:

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David Schwede
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David Schwede

Purefarma Solutions Inc. by its authorized signatory:

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David Schwede
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David Schwede

THIS THIRD LOAN AMENDING AGREEMENT (“Loan Amendment #3”) made effective as of the 31st day of October, 2023.

AMONG:

BJK Holdings Ltd., of
238 22 Street N, Lethbridge, Alberta T1H 3R7

(the “Lender”)

OF THE FIRST PART

AND:

Heritage Cannabis Holdings Corp., Heritage Cannabis East Corporation, and 333 Jarvis Realty Inc., each with a registered and records office address of
c/o Owens Wright LLP, 20 Holly St Suite 300, Toronto, ON M4S 3B1, and

Heritage Cannabis West Corporation, and 5450 Realty Inc., with a registered and records office addresses of
c/o Pushor Mitchell LLP, 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3

(together and individually, the “Borrower” or “Borrowers”)

OF THE SECOND PART

AND:

1005477 B.C Ltd., and Purefarma Solutions Inc., each with a registered and records office address of
c/o Pushor Mitchell LLP, 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3,

Heritage Cannabis Exchange Corp., with a registered and records office address of
c/o Owens Wright LLP, 20 Holly St Suite 300, Toronto, ON M4S 3B1, and

(together and individually, the “Guarantor” or “Guarantors”)

OF THE THIRD PART

WHEREAS:

- A. On March 29, 2021, the Lender, Borrowers and Guarantors entered into a loan agreement the (“Initial Loan Agreement”) whereby the Lender agreed to lend, and the Borrowers agreed to borrow a non-revolving loan in the sum of \$7,000,000 (the “Initial Loan”), guaranteed by the Guarantors;
- B. On October 4, 2021, the Lender, Borrowers and Guarantors amended the Loan Agreement (“Loan Amendment #1”) by establishing credit facilities as follows:
 1. **FACILITY 1:** the Initial Loan is increased to \$7,175,000 and its due date extended to February 1st, 2023;

2. **FACILITY 2:** an additional loan of \$2,600,000 will be advanced, at RBC Prime plus 1.25% adjusted automatically with each quoted or published change in rate, until the Entire Indebtedness (as defined in Preamble Paragraph C below) is repaid on or before the date of February 1st, 2023; and
3. **FACILITY 3:** a revolving line of credit up to maximum of \$5,000,000 shall be established at an interest rate of 18.0% per annum, calculated daily and payable monthly,

for a total of \$14,775,000 (collectively, the “Loan”) on the terms and conditions hereinafter set forth;

C. On September 29, 2022, the Lender, Borrowers and Guarantors amended the Loan Agreement (“Loan Amendment #2”) by establishing credit facilities as follows:

1. **FACILITY 1:** the Initial Loan due date is extended to November 30th, 2024, at the rates of interest as set out therein;
2. **FACILITY 2:** the due date is extended to November 30th, 2024, at the rates of interest as set out therein;
3. **FACILITY 3:** the due date is extended to November 30th, 2024, at the rates of interest as set out therein; and
4. **FACILITY 4:** a loan of \$4,985,000 on the terms and conditions as set out therein,

for a total of \$19,775,000 (collectively, “Loan Amendment #2”) on the terms and conditions hereinafter set forth and may be extended for an additional 12 months to November 30th, 2025, provided the Borrower is not in default and there is no material change to the Borrower’s business.

D. With the consent of the Lender, effective January 25, 2023, one of the Borrowers, CannaCure Corporation changed its name to Heritage Cannabis East Corporation and another of the Borrowers, Voyage Cannabis Corp. changed its name to Heritage Cannabis West Corporation.

E. The parties are desirous of amending the Loan terms and conditions by amending the terms of the existing credit facilities and adding a fourth credit facility as follows:

1. Facilities 1, 2 and 4, as provided for under Loan Amendment #2 are hereby consolidated into a single loan facility to be known and described as Loan Facility 5; and
2. Facility 3 will remain unchanged.

NOW THEREFORE in consideration of One Dollar (\$1.00) now paid by each party to the other (the receipt of which is hereby acknowledged) and of the mutual covenants and agreements contained herein the parties hereto covenant and agree as follows:

INTERPRETATION

- 1.1 **GOVERNING LAW:** This Loan Amendment #3 shall in all respects be governed by and be construed in accordance with the laws of the Province of British Columbia.
- 1.2 **SEVERABILITY:** If any one or more of the provisions contained in this Loan Amendment #2 should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 1.3 **ENUREMENT:** This Loan Amendment #3 shall enure to the benefit of and be binding on the Borrower, the Lender and their respective heirs, successors, executors, administrators and permitted assigns.
- 1.4 **INCLUDED WORDS:** Wherever the singular or masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.
- 1.5 **BANKING DAY:** Banking Day means any day on which The Royal Bank of Canada is open to the public for business in Vancouver.
- 1.6 **RBC PRIME:** RBC Prime means the annual rate of interest Royal Bank of Canada announces from time to time as a reference rate for determining interest rates on Canadian dollar commercial loans in Canada.
- 1.7 **HEADINGS AND REFERENCES:** The headings to the parts and clauses of this Loan Amendment #3 are inserted for convenience only and shall not affect the construction hereof. Unless otherwise stated a reference herein to a numbered or lettered clause or part refers to the clause or part bearing that number or letter in this Loan Amendment #3. A reference to this Agreement or herein means this Loan Amendment #3, including the schedules hereto, together with any amendments thereof.
- 1.8 **DEFINED TERMS:** Words and phrases used herein as defined words and phrases but not otherwise defined herein shall have the meaning attributed to them in the Initial Loan Agreement.

2. AMENDMENTS TO LOAN

- 2.1 The parties have agreed that this Loan Amendment #3 amends the Initial Loan Agreement and Loan Amendments #1 and #2 by establishing credit facilities as follows:

FACILITY 5: the Loan due date is extended to January 31st, 2025, at the following rates of interest:

- a. for the period November 1st, 2023, up to and including January 31st, 2025, at RBC Prime minus 1.75%;
- b. if extended to January 31st, 2026, as provided in Paragraph 2.2 herein, at RBC Prime plus 10.0% but in no case less than 15.0%;

the Lender acknowledges receipt of \$9,714,475 from the Borrowers in connection with the sale of the 5450 Property and the 333 Property to BJK Developments Ltd. and the Lender confirms that a total of \$5,256,379 is outstanding as of the date hereof under Facility 5.

FACILITY 3: The line of credit facility due date is extended to January 31st, 2025, at the following rates of interest:

- a. For the period October 31st, 2023, up to and including January 31st, 2025, at RBC Prime plus 10.0% but in no case less than 15.0% per annum; and
- b. If extended to January 31st, 2026, as provided in paragraph 2.2 herein, at RBC Prime plus 10.0% but in no case less than 15.0%; and

a total of \$2,047,261.32 of the \$5,000,000 facility is outstanding as of the date hereof under Facility 3.

- 2.2 Paragraph 4.2 of the Initial Loan Agreement, amended in Loan Agreement #2, is deleted in its entirety and replaced with the following:

DUE DATE: The Loan shall be repaid in full without notice or demand on or before January 31st, 2025, and shall be repaid by payment to the Lender of the full Loan amount together with any other amounts payable hereunder or under any of the security granted in connection herewith. The Lender in its sole discretion may extend the Due Date to January 31st, 2026, at the rates of interest as provided in paragraphs 2.1 above.

- 2.3 In furtherance of Loan Amendment #3, the Security granted by the Borrowers and Guarantors to the Lender under the Loan shall be replaced with amended security to reflect the new credit facilities agreed upon in paragraph 2.1 above. The Borrowers and Guarantors agree to amend or to provide such further security as may be required by the Lender from time to time in furtherance of this Loan Amendment #3, including specific security for capital assets acquired by the Borrower exceeding a purchase price of \$50,000, or as required by the Lender.

3. WARRANTS

- 3.1 The existing warrants granted by the Heritage Cannabis Holdings Corp. (“Heritage Holdings”) to the Lender on October 4th, 2021, to acquire up to 10,000,000 shares in the capital of Heritage Holdings at an exercise price of \$0.25 per share and on September 29th, 2022 to acquire up to 50,000,000 shares in the capital of the Heritage Holdings at an exercise price of \$0.10 per share (subject to any adjustment for any dilutive equity transactions during the terms of such warrants) both with an expiry date of February 28th, 2025, shall be repriced to \$0.07 per share and the exercise period shall be extended to February 28th, 2026.

4. BORROWER AND GUARANTOR REPRESENTATIONS AND WARRANTIES

- 4.1 Other than the amendments noted below, each Borrower and Guarantor represents and warrants to the Lender that the Loan Agreement as amended hereby continues to be a

valid obligation of the Borrower and each Guarantor, legally binding on it and enforceable in accordance with its terms.

- (a) All references to CannaCure Corporation shall be deleted and replaced with Heritage Cannabis East Corporation.
- (b) All references to Voyage Cannabis Corp. shall be deleted and replaced with Heritage Cannabis West Corporation.
- (c) Section 6.6 of the Initial Loan Agreement is deleted in its entirety and replaced with the following:

“6.6 STATUS OF PUREFARMA SOLUTIONS INC. (“PUREFARMA”): Purefarma is a corporation duly amalgamated, validly existing and in good standing under the laws of the Province of British Columbia and is qualified and authorized to do business in all jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it make such qualification necessary. Purefarma has all requisite corporate power and authority to carry on its business and to enter into this Agreement and all of the Security granted in connection herewith and to be bound by the terms and provisions contained herein and in each of the Security Documents.”

- (d) Section 6.7 of the Initial Loan Agreement (Status of Calyx Life Science Corp. - amalgamated) is deleted in its entirety and replaced with the following: “Intentionally Deleted”.
- (e) Section 6.10 of the Initial Loan Agreement (Status of Premium 5 Ltd. – no longer active) is deleted in its entirety and replaced with the following: “Intentionally Deleted”.
- (f) Section 6.16 of the Initial Loan Agreement is deleted in its entirety and replaced with the following:

“LICENCES, PERMITS AND CONSENTS: The Borrowers and Guarantors have all licences, permits and consents under any federal, provincial or municipal statute or by-law or otherwise, as are requisite for the carrying on of business of the Borrowers and Guarantors, including but without restricting the generality of the foregoing, Licence Nos. LIC-81WQTM2WBL-2021-9, LIC-SQ9HMLUT2P-2021-2, LIC-1WWUVE76T8-2021-12, LIC-1OFZ019P4Z-2023, LIC-TUFEZWBC14-2023-1, and LIC-LYJVQCPT30-2022-2 (“Cannabis Licences”) issued by the Controlled Substances and Cannabis Branch, Health Canada, Government of Canada pursuant to the *Cannabis Act* (S.C. 2018, c. 16) and *Cannabis Regulations* in respect thereof.

- (g) Section 6.18 (a) Disclosure of Existing Security is deleted in its entirety and replaced with the following:

“(a) The Borrowers and Guarantors represent and warrant to the Lender that the security shown in the searches attached as

Schedules “B” and “D” attached hereto is the only security granted by them.”

- (h) Section 6.19 “Legal and Beneficial Ownership” is deleted in its entirety and replaced with the following: “Intentionally Deleted”.
- (i) Reference to Schedule C in Section 7.4 shall be replaced with Schedule “D”.
- (j) Section 8.2 Remedies Upon Default is updated as follows:

“8.2 REMEDIES UPON DEFAULT: Upon the occurrence of an Event of Default and at any time thereafter, the Lender may, in its discretion, by notice to all of the Borrowers and Guarantors to:

Heritage Cannabis Holdings Corp.
c/o Owens Wright LLP, 20 Holly St Suite 300, Toronto, ON M4S 3B

Attn: David Schwede

Email: dschwede@heritagecann.com

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

Owens Wright LLP
20 Holly St Suite 300, Toronto, ON M4S 3B

Attn. Megan Mossip

Email: mmossip@owenswright.com”

- 4.2 Each Borrower and Guarantor represents and warrants to the Lender that neither the Borrower nor any Guarantor is in default under any obligation of under the Loan Agreement.

5. MISCELLANEOUS

- 5.1 Each Borrower and Guarantor, and the Lender agree that, except as specifically amended by this Loan Amendment #3, all of the terms, conditions and covenants of the Loan Agreement remain in full force and effect.
- 5.2 The Loan Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and undertakings whether oral or written relative to the subject matter hereof.
- 5.3 The Lender’s records shall be conclusive evidence of the amount outstanding under this Loan.
- 5.4 The parties hereto acknowledge and agree that each of them has been advised to seek, had the opportunity to seek, and was not prevented from seeking independent legal advice prior to the execution and delivery of this Loan Agreement #3 and that, if any party hereto did not avail itself, himself or herself of that opportunity prior to signing this Loan

Amendment #3, that party did so voluntarily without any pressure or influence by any other party hereto and agrees that its, his or her failure to obtain independent legal advice may not be used by such party as a defence to the enforcement of such party's obligations under this Loan Amendment #3.

- 5.5 Each of the parties hereby covenant and agree to execute any further and other documents and instruments and to do any further and other things that may be necessary to implement and carry out the intent hereof.
- 5.6 The Borrower and Guarantor parties must at their expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, acts, matters and things as may be reasonably requested by the Lender for the purpose of giving effect to the Loan Agreement or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.
- 5.7 If a provision of this Agreement shall be found to be wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part of this Loan Amendment #3.
- 5.8 COUNTERPARTS: This Loan Amendment #3 may be executed in several counterparts, including by facsimile, electronic mail or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes and each of which when executed shall be deemed to be an original and such counterparts together shall be one and the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF the parties hereto have caused this Loan Amendment #3 to be duly executed and delivered as of the date first above written.

THE LENDER:

BJK Holdings Ltd. by its authorized signatory:

DocuSigned by:

Bradley J. Kirk

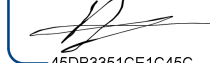
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Bradley J. Kirk


IN WITNESS WHEREOF the Borrowers and Guarantors have caused this Loan Amendment #3 to be duly executed and delivered as of the date first above written.

BORROWERS:

Heritage Cannabis Holdings Corp. by its authorized signatory:


45DB3351CE1C45C...
David Schwede


Heritage Cannabis West Corporation by its authorized signatory:


45DB3351CE1C45C...
David Schwede


Heritage Cannabis East Corporation by its authorized signatory:


45DB3351CE1C45C...
David Schwede

333 Jarvis Realty Inc. by its authorized signatory:



45DB3351CE1C45C...
David Schwede

5450 Realty Inc. by its authorized signatory:



45DB3351CE1C45C...
David Schwede

GUARANTORS:


1005477 BC Ltd. by its authorized signatory:


45DB3351CE1C45C...
David Schwede

Heritage Cannabis Exchange Corp. by its authorized signatory:


45DB3351CE1C45C...
David Schwede

Purefarma Solutions Inc. by its authorized signatory:


45DB3351CE1C45C...
David Schwede

***THIS IS EXHIBIT "P" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***

A handwritten signature in blue ink, consisting of a stylized, cursive script that is difficult to decipher but appears to be a name.

A Commissioner Etc.

Execution Version

HERITAGE CANNABIS HOLDINGS CORP.
NOTE AND WARRANT PURCHASE AGREEMENT

OCTOBER 18, 2021

NOTE AND WARRANT PURCHASE AGREEMENT

THIS NOTE AND WARRANT PURCHASE AGREEMENT (“Agreement”) is entered into as of October 18, 2021 (the “Effective Date”), among Heritage Cannabis Holdings Corp., a corporation continued under the laws of Ontario (the “Company”), Merida Capital Partners III LP, a Delaware limited partnership (“Merida Fund III”) and Merida Capital Partners IV LP, a Delaware limited partnership (“Merida Fund IV” and, together with Merida Fund III, the “Purchasers” and each, a “Purchaser”).

WHEREAS, to provide the Company with additional resources to conduct its business, Merida Fund III and Merida Fund IV are each willing to loan to the Company \$750,000 for an aggregate amount of \$1,500,000, subject to the conditions specified herein.

NOW, THEREFORE, in consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the Company and each Purchaser, intending to be legally bound, hereby agree as follows:

1. Amount and Terms of the Loan.Note. At each Closing (as such term is defined below), subject to the terms of this Agreement, each Purchaser severally and not jointly agrees to purchase, and the Company agrees to sell and issue to each Purchaser, a Note, in substantially the form attached hereto as Exhibit A (each, a “Note” and together, the “Notes”), in the principal amount equal to the amount set forth opposite such Purchaser’s name and relating to such Closing on Schedule 1. Warrants. At each Closing, subject to the terms of this Agreement, the Company agrees to issue to each Purchaser a warrant in substantially the form attached hereto as Exhibit B (each, a “Warrant” and together, the “Warrants”) (together with this Agreement and the Notes, each a “Loan Document” and collectively, the “Loan Documents”). The Warrants shall be exercisable for common shares of the Company without par value (the “Common Shares” and such Common Shares issuable under the Warrants, the “Warrant Shares”). As used herein, the “Securities” means, collectively, the Notes, Warrants, Conversion Shares (as defined below), Commitment Fee Shares (as defined below), Warrant Shares and Interest Shares (as defined in the Note).Closing Mechanics.Closing. The purchase and sale of the Notes and Warrants shall take place at one or more closings (each hereinafter referred to as a “Closing” and collectively as the “Closings”), which shall take place remotely via the electronic exchange of documents and signatures at such time as the Company and Purchasers agree upon orally or in writing. The initial Closing (the “Initial Closing”) shall occur on the date of this Agreement.

2.2 Sale of Additional Notes. After the Initial Closing, the Company shall sell, upon the terms and subject to the conditions of this Agreement, additional Notes to the Purchasers at one or more additional Closings (each, an “Additional Closing”) on the dates (or such later dates as may be approved by the Company and the Purchasers, provided, however, no Additional Closing may take place after December 31, 2021) and in the principal amounts equal to the amounts set forth opposite such Purchaser’s name and relating to such Closing on Schedule 1.

2.3 Commitment Fee. At the Initial Closing, the Company shall also pay to each Purchaser a commitment fee, which shall be payable by issuance of the number of Common Shares equal to USD\$31,250 divided by ninety percent (90%) of the volume weighted average

price per Common Share as reported on the Canadian Securities Exchange for the thirty (30) consecutive trading days preceding such issuance (adjusted as appropriate to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications, or similar events) (collectively, in respect of both Purchasers, the "Commitment Fee Shares"); provided, however that the issuance price of the Commitment Fee Shares will not be less than CAD\$0.05 per share pursuant to the policies of the Canadian Securities Exchange (the "CSE").

2.4 Delivery. At each Closing, (i) each Purchaser shall deliver to the Company a check or wire transfer of immediately available funds for its loan amount relating to such Closing as set forth on Schedule 1; (ii) the Company shall issue and deliver to each Purchaser its respective Note in favor of such Purchaser payable in the principal amount of the applicable Note along with the applicable Warrant; (iii) each Purchaser and the Company shall execute and deliver each Loan Document to which it is a party, and (iv) the Company shall issue the Commitment Fee Shares to the Purchasers.

2.5 CSE. In connection with each Closing, the Company will make all filings and take all other steps required by the administrative policies and notices of the CSE in order to permit the Commitment Fee Shares, the Conversion Shares, the Warrant Shares and the Interest Shares to be listed on the CSE on the applicable Closing Date.

3. Representations and Warranties of the Company. In connection with the transactions provided for herein, the Company hereby represents and warrants to the Purchasers that as of the Effective Date:

3.1 Organization, Good Standing and Qualification. The Company is a corporation continued in, validly existing, and in good standing under the laws of Ontario and has all requisite corporate power and authority to carry on its business as now conducted. The Company is duly qualified and is authorized 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. The Company is a "reporting issuer" in the provinces of British Columbia, Alberta, Ontario, New Brunswick and Nova Scotia, the Common Shares are listed on the CSE, and the Company is not in default of any of the requirements of the Securities Act (as defined below) or any of the administrative policies or notices of the CSE. The Company will use its commercially reasonable efforts to maintain its status as a "reporting issuer" in at least one of the Provinces of British Columbia, Alberta and Ontario and to maintain the listing of its common shares on the CSE, or such other recognized North American stock exchange or quotation system to the date that is 36 months and one day following the final Closing Date. For purposes of this Agreement, "Securities Act" means the *Securities Act* (Ontario) and the regulations, rules, administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the Ontario Securities Commission, all as may be amended.

3.2 Company Power. The Company has all requisite corporate power to execute and deliver the Loan Documents and to carry out and perform its obligations under the terms of the Loan Documents.

3.3 Authorization. All corporate action on the part of the Company, its Board of Directors (the "Board") and its shareholders necessary for the authorization of the Loan

Documents and the execution, delivery and performance of all obligations of the Company under the Loan Documents, including the issuance and delivery of the Notes and Warrants, and the reservation of the equity securities issuable upon conversion of the Notes (collectively, the “Conversion Shares”) or exercise of the Warrants, has been taken or will be taken prior to the issuance of such Commitment Fee Shares, Conversion Shares, Warrant Shares or Interest Shares. The Loan Documents, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to (a) laws relating to bankruptcy, insolvency, the relief of debtors, reorganization, moratorium, fraudulent conveyance or any other laws of general application affecting enforcement of creditors’ rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (c) with respect to rights to indemnity, subject to applicable Canadian securities and corporate law and applicable federal and state securities laws. The Commitment Fee Shares, Conversion Shares, Warrant Shares and Interest Shares, when issued, sold and delivered in accordance with the provisions of the Loan Documents, will be duly authorized, validly issued, fully paid and non-assessable and free of any liens or encumbrances and issued in compliance with all applicable Canadian securities laws, the administrative policies and notices of the CSE and will be listed on the CSE.

3.4 Compliance with Other Instruments. The Company is not in violation or default of any term of its Articles of Continuance, by-laws, or of any provision of any mortgage, indenture or contract to which it is a party and by which it is bound or of any judgment, decree, order or writ, other than such defaults or violations that would not reasonably be expected to have a material adverse effect, taken as a whole, on the business, assets, liabilities, financial condition, property or results of operations of the Company (a “Material Adverse Effect”). The execution, delivery and performance of the Loan Documents, and the consummation of the transactions contemplated by the Loan Documents, will not result in any such violation or be in conflict with, or constitute, with or without the passage of time and giving of notice, either (a) a default under any such provision, instrument, judgment, decree, order or writ, or (b) an event that results in the creation of any lien, charge or encumbrance upon any assets of the Company, or (c) the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization or approval applicable to the Company, its business or operations or any of its assets or properties. The sale of the Notes and Warrants, the issuance of the Commitment Fee Shares, and the subsequent issuance of the Conversion Shares, Warrant Shares, and Interest 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.

3.5 No Consent or Approval Required. Subject to the truth and accuracy of the representations and warranties of the Purchaser contained in Section 4 of this Agreement and other than as set out in Section 3.7 of this Agreement, no authorization, consent, approval or other order of, or declaration to or filing with, any governmental agency or body or other person or entity is required for (a) the valid authorization, execution, delivery and performance by the Company of this Agreement; (b) the offer, sale or issuance of the Commitment Fee Shares, the Notes, the Warrants, the Conversion Shares and Interest Shares underlying the Notes, or the Warrant Shares underlying the Warrants; or (c) the consummation of the transactions contemplated hereby.

3.6 Litigation. There is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or currently threatened against the Company, nor is the

Company aware that there is any basis for the foregoing. Neither the Company nor any of the Company's officers or directors, is a party or is named as 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 pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings or investigation pending or threatened in writing involving the prior employment of any of the Company's employees, their use, in connection with the Company's businesses, of any information or techniques allegedly proprietary to any of their former employees, or their obligation under any agreements with prior employees.

3.7 Governmental Consents. All consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with, any governmental authority, required on the part of the Company in connection with the valid execution and delivery of this Agreement, the offer, sale or issuance of the Notes and Warrants, and issuance of the Commitment Fee Shares, the Conversion Shares and Interest Shares issuable under or upon conversion of the Notes and the Warrant Shares issuable upon exercise of the Warrants, or the consummation of any other transaction contemplated hereby shall have been obtained and will be effective at such time as required by such governmental authority. No order ceasing or suspending trading in securities of the Company nor prohibiting the sale of such securities has been issued to and is outstanding against the Company or any of its directors, officers or promoters or against any other companies that have common directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened.

3.8 Compliance with Laws. The Company is not 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 reasonably be expected to have a Material Adverse Effect. For purposes of this Agreement, "Knowledge," with respect to the applicable party, means the actual or constructive knowledge of the officers and directors of such party who would reasonably be expected to have such knowledge after reasonable inquiry.

3.9 No "Bad Actor" Disqualification Events. Neither the Company nor any of the Company's directors or existing stockholders, or any executive officer or officer of the Company is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act of 1933, as amended (the "Act") (each a "Disqualification Event"), except for Disqualification Events covered by Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Act and disclosed reasonably in advance of the Closing in writing in reasonable detail to Purchasers.

3.10 Intellectual Property. The Company owns or possesses sufficient legal rights to all trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and proprietary rights and processes, and all patents necessary for its business without any conflict with, or infringement of, the rights of others. There are no outstanding options, licenses, or agreements of any kind relating to the foregoing, nor is the Company bound by or a party to any options, licenses or agreements of any kind, except in the ordinary course of its business, with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other person. The Company has not received

any communications alleging that the Company has violated or, by conducting its business, would violate any patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other person. To the Knowledge of the Company, none of the Company's employees is obligated under contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of such employees best efforts to promote the interest of the Company or that would conflict with the Company's business. Each employee and consultant of the Company has assigned to the Company all intellectual property rights he or she owns that are related to any project of the Company.

3.11 Title to Property and Assets. The Company owns its properties and assets free and clear of deeds of trust, liens, encumbrances and security interests except for statutory liens for the payment of current taxes that are not yet delinquent and mortgages or liens and security interests which arise in the ordinary course of business and which do not materially impair the Company's ownership of such properties and assets. With respect to property or assets it leases, the Company is in material compliance with each such lease.

3.12 Financial Statements. The Company's audited financial statements for the years ended October 31, 2020 and 2019, (the "Audited Financial Statements"), and unaudited interim financial statements of the Company for the three and nine month period ended July 31, 2021 (the "Interim Financial Statements" and together with the Audited Financial Statements, the "Financial Statements") as filed on the System for Electronic Data Gathering, Analysis, and Retrieval ("SEDAR") have been prepared in accordance with GAAP, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments and the absence of notes (that, if presented, would not differ materially from those presented in the Audited Financial Statements). The Financial Statements are based on the books and records of the Company, and, in all material respects, fairly present the financial condition of the Company and each subsidiary of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated.

3.13 Offering. Assuming the accuracy of the representations and warranties of the Purchasers contained in Section 4 hereof, the offer, issue, and sale of the Notes and the Warrants, and the issuance of the Conversion Shares, Warrant Shares, Commitment Fee Shares and Interest Shares are and will be exempt from the prospectus requirements of the Securities Act, and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit, or qualification requirements of all applicable Canadian and U.S. state securities laws.

3.14 Capitalization. The capitalization of the Company as of immediately prior to the Closing is attached hereto as Schedule 3.14(a). Except for the Notes and Warrants, there are no options, warrants, convertible securities or other legally binding rights, agreements or arrangements or commitments relating to ownership interests in the Company obligating the Company to redeem, issue, sell, transfer, vote or otherwise dispose of or sell any ownership interests in the Company.

3.15 Subsidiaries. There are no joint ventures, partnerships, corporations, limited liability companies, associations, joint stock companies or any other business entities in which the Company holds, directly or indirectly, any equity interest.

3.16 Use of Proceeds. The Company shall use the proceeds of sale and issuance of the Notes and Warrants for the operations of its business, including the expansion of the Company's business into Missouri.

3.17 Brokers. The Company has not paid or become obligated to pay any fee or commission to any broker, finder, investment banker or other intermediary in connection with this Agreement or the transactions contemplated hereby.

3.18 Taxes. There are no federal, state, county, local or foreign taxes due and payable by the Company which have not been timely paid. There are no accrued and unpaid federal, state, county, local or foreign taxes of the Company which are due, whether or not assessed or disputed. There have been no examinations or audits of any tax returns or reports by any applicable federal, state, local or foreign governmental agency. The Company has duly and timely filed all federal, state, county, local and foreign tax returns required to have been filed (if any) by it and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

3.19 Disclosure. No representation or warranty made by the Company in this Agreement, or any certificate, schedule or exhibit prepared and furnished or to be prepared and furnished by the Company or its representatives pursuant hereto contains or will contain any untrue statement of material fact, or to the Company's Knowledge omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were furnished. There is no event, fact or condition specifically relating to the Company or the business in which it is engaged that has had, or that reasonably would be expected to have, a Material Adverse Effect which is not set out in this Agreement. All prospectuses, financial statements, information circulars, annual information forms, press releases and material change reports filed with any applicable Canadian securities commission does not contain any material misrepresentations nor does it omit any material fact relating to the Company. Except as publicly disclosed and available on SEDAR, there is not presently, and will not be prior to any Closing, any material change, as defined in the Securities Act, relating to the Company or change in any material fact, as defined in the Securities Act, relating to any of the Securities which has not been or will not be fully disclosed in accordance with the requirements of the Securities Act.

4. Representations and Warranties of Purchasers. In connection with the transactions provided for herein, each Purchaser hereby represents and warrants, severally and not jointly, to the Company that:

4.1 Organization and Good Standing. Each Purchaser is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Delaware and has all requisite power and authority to carry on its business as now conducted.

4.2 Authorization. This Agreement constitutes each Purchaser's valid and legally binding obligation, enforceable in accordance with its terms, except as may be limited by (a) laws relating to bankruptcy, insolvency, the relief of debtors, reorganization, moratorium, fraudulent conveyance or any other laws of general application affecting enforcement of creditors' rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (c) with respect to rights to indemnity, subject to federal and state securities laws. Each Purchaser represents that it has full power and authority to enter into this Agreement.

4.3 Purchase Entirely for Own Account. Each Purchaser acknowledges that this Agreement is made with such Purchaser in reliance upon such Purchaser's representation to the Company that its respective Securities will be acquired for investment for such Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that such Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, each Purchaser further represents that such Purchaser does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Securities.

4.4 Disclosure of Information. EACH PURCHASER ACKNOWLEDGES THAT IT HAS RECEIVED ALL THE INFORMATION IT CONSIDERS NECESSARY OR APPROPRIATE FOR DECIDING WHETHER TO ACQUIRE THE SECURITIES. EACH PURCHASER FURTHER REPRESENTS THAT IT HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ANSWERS FROM THE COMPANY REGARDING THE TERMS AND CONDITIONS OF THE OFFERING OF THE SECURITIES.

4.5 Investment Experience. Each Purchaser is an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. Each Purchaser also represents it has not been organized solely for the purpose of acquiring the Securities.

4.6 Accredited Investor. Each Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D of the Securities and Exchange Commission (the "SEC"), as presently in effect.

4.7 No "Bad Actor" Disqualification Events. Each Purchaser acknowledges that neither (i) such Purchaser, nor (ii) to such Purchaser's Knowledge, the general partner, executive officer or officer of such Purchaser, is subject to any Disqualification Event, except for Disqualification Events covered by Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Act and disclosed reasonably in advance of the Closing in writing in reasonable detail to the Company.

4.8 Restricted Securities. Each Purchaser understands that the Securities are characterized as "restricted securities" under United States securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the

Act only in certain limited circumstances. Each Purchaser represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act.

4.9 Further Limitations on Disposition. Without in any way limiting the representations and warranties set forth above, each Purchaser further agrees not to make any disposition of all or any portion of its respective Securities unless and until the following conditions have been satisfied:

(a) there is then in effect a registration statement under the Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(b) (i) such Purchaser has notified the Company of the proposed disposition and has furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition and (ii) if reasonably requested by the Company, such Purchaser 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 Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144 except in extraordinary circumstances.

4.10 Legends. Each Purchaser understands and acknowledges that upon the original issuance thereof, and until such time as the same is no longer required under applicable requirements of applicable securities legislation, the certificates representing the Commitment Fee Shares, the Conversion Shares, the Warrants Shares, the Warrants and the Notes and all certificates issued in exchange therefor or in substitution thereof will bear the following legend in addition to any other legends that may be required to be endorsed thereon under Canadian securities laws:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ●”; and

with the ● completed to reflect the date that is four months plus one day following the date on which the Commitment Fee Shares, the Note and Warrants are issued.

4.11 Brokers. Each Purchaser acknowledges that such Purchaser has not paid or become obligated to pay any fee or commission to any broker, finder, investment banker or other intermediary in connection with this Agreement or the transactions contemplated hereby.

5. Miscellaneous.

5.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall 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 Agreement without the written consent of the Purchaser. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. No assignment may be made by any Purchaser of its rights or obligations hereunder unless and until such assignee

agrees in writing to be bound by the terms and conditions set forth herein and in the Notes applicable to the Purchaser as if such assignee was an original signatory hereto and thereto, provided that, each Purchaser may assign its respective rights and benefits hereunder to its Affiliate (as defined below) upon written notice to the Company. As used herein, “Affiliate” means, with respect to a specified private investment fund, any other investment fund that is managed or controlled, directly or indirectly, by the same general partner or management company.

5.2 Investment Opportunities and Conflicts of Interest. Subject to compliance by Purchasers and their respective affiliates with any confidentiality obligations owed to the Company and any other obligations required pursuant to applicable law and/or any written agreement between each Purchaser and the Company, the Company expressly acknowledges and agrees that, subject to the terms of any other agreement to which they may be bound, (i) Purchasers and their respective affiliates are permitted to have, and may presently or in the future have, investments or other business relationships with entities engaged in business other than through the Company (an “Other Business”), (ii) Purchasers and their respective affiliates have and may develop a strategic relationship with businesses that are and may be competitive or complementary with the Company, (iii) neither Purchasers nor their respective affiliates will be prohibited by virtue of their investments in the Company from pursuing and engaging in any such activities, (iv) neither Purchasers nor their respective affiliates will be obligated to inform or present the Company or the Board of Directors of the Company of any such opportunity, relationship or investment, (v) the other stockholders of the Company will not acquire or be entitled to any interest or participation in any Other Business as a result of the participation therein of any of Purchasers or their respective affiliates, and (vi) the involvement of Purchasers or any of their respective affiliates in any Other Business will not constitute a conflict of interest by such persons with respect to the Company. Without limiting the foregoing, in the event that any Purchaser or any of its respective affiliates acquire knowledge of an Excluded Opportunity that may be an opportunity for both the Company and such Purchaser or such respective affiliate, the Company expressly renounces any interest or expectancy that such Purchaser or such respective affiliate offers an opportunity to participate in, or be informed about, such Excluded Opportunity. An “Excluded Opportunity” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of either Purchaser or any of its respective affiliates, so long as such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, such Purchaser or any of its respective affiliates in a manner unrelated to such Purchaser’s holding of the Notes and/or an interest in the Company.

5.3 Governing Law. This Agreement, the Notes and the Warrants shall be governed by and construed under the laws of the State of New York.

5.4 Counterparts; Electronic Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

5.5 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

5.6 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail if sent during normal business hours of the recipient, if not so confirmed, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) 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 respective parties at the following addresses (or at such other addresses as shall be specified by notice given in accordance with this Section 5.6):

If to the Company:

Heritage Cannabis Holdings Corp.
c/o David Schwede
1450 St Paul St.
Kelowna, British Columbia
Canada V1Y 2E6
Attention: David Schwede
Email: dschwede@heritagecann.com

With a copy, which shall not constitute notice, to:

Owens Wright LLP
20 Holly St., Suite 300
Toronto, Ontario M4S 3B1
Attention: Paul De Luca
Email: pdeluca@owenswright.com

If to the Purchasers:

Merida Capital Partners III LP
c/o Merida Manager III LLC, its general partner
178 Columbus Ave. #230018
New York, NY 10023
Attention: Mitchell Baruchowitz
Email: mitch@meridacap.com

and

Merida Capital Partners IV LP
c/o Merida Manager IV LLC, its general partner
178 Columbus Ave. #230018
New York, NY 10023
Attention: Mitchell Baruchowitz

Email: mitch@meridacap.com

With a copy, which shall not constitute notice, to:

Kleinberg, Kaplan, Wolff & Cohen, P.C.
500 Fifth Avenue
New York, New York 10110
Attention: Jonathan Ain, Esq.
Email: jain@kkwc.com

5.7 Finder's Fee. Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Each Purchaser agrees to, severally and not jointly, indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's fee (and the costs and expenses of defending against such liability or asserted liability) for which such Purchaser or any of its officers, partners, employees or representatives is responsible. The Company agrees to indemnify and hold harmless Purchasers from any liability for any commission or compensation in the nature of a finder's fee (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

5.8 Expenses; Taxes. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled. At the Initial Closing, the Company shall pay the reasonable fees and expenses of Kleinberg, Kaplan, Wolff & Cohen, P.C. and Bennett Jones LLP, the counsels for Purchasers, in an amount not to exceed, in the aggregate, USD \$30,000, which amount shall be withheld from the applicable loan amount at the Initial Closing. Purchaser has undertaken its own analysis of the taxable attributes of this transaction and no representation has been made by the Company or its affiliates or agents with respect thereto. Each Purchaser hereby agrees to, severally and not jointly, indemnify the Company against any and all liability arising from or relating to any taxable income generated by the transactions contemplated hereby (including its respective Notes and Warrants, and exercise, conversion and repayment thereof (as applicable)).

5.9 Entire Agreement; Amendments and Waivers. The Loan Documents 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 thereof.

5.10 Interpretation. It is hereby agreed and acknowledged that this Agreement, the Notes and Warrants were mutually drafted and negotiated by the parties and no presumption of interpretation shall be made or asserted by either party.

5.11 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

5.12 Exculpation. Each Purchaser acknowledges that it is not relying upon the Company or any of its agents, affiliates, managers, officers or member in making its investment or decision to invest in the Company.

5.13 Waiver of Jury Trial. TO THE EXTENT EACH MAY LEGALLY DO SO, EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS AGREEMENT, OR IN ANY WAY CONNECTED WITH, OR RELATED TO, OR INCIDENTAL TO, THE DEALING OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND IRRESPECTIVE OF WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE EXTENT EACH MAY LEGALLY DO SO, EACH PARTY HERETO HEREBY AGREES THAT ANY SUCH CLAIM, DEMAND, ACTION, OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT EITHER PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF ANY OTHER PARTY HERETO TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed, or caused their duly authorized representatives to execute, this Agreement as of the date first written above.

COMPANY:

**HERITAGE CANNABIS HOLDINGS
CORP.**

By:  _____
Name: David Schwede
Title: President & CEO

PURCHASERS:

MERIDA CAPITAL PARTNERS III LP

By: Merida Manager III LLC, its general partner

By: _____
Name: Mitchell Baruchowitz
Title: Manager

MERIDA CAPITAL PARTNERS IV LP

By: Merida Manager IV LLC, its general partner

By: _____
Name: Mitchell Baruchowitz
Title: Manager

IN WITNESS WHEREOF, the parties have executed, or caused their duly authorized representatives to execute, this Agreement as of the date first written above.

COMPANY:


**HERITAGE CANNABIS HOLDINGS
CORP.**

By: _____
Name:
Title:

PURCHASERS:


MERIDA CAPITAL PARTNERS III LP

By: Merida Manager III LLC, its general partner

By:  _____
Name: Mitchell Baruchowitz
Title: Manager

MERIDA CAPITAL PARTNERS IV LP

By: Merida Manager IV LLC, its general partner

By:  _____
Name: Mitchell Baruchowitz
Title: Manager

SCHEDULE 1

SCHEDULE OF PURCHASERS AND CLOSING DATES

Closing Date	Purchaser	Principal Amount (USD)
October 18, 2021	Merida Capital Partners III LP	\$660,000
	Merida Capital Partners IV LP	\$0
October 29, 2021	Merida Capital Partners III LP	\$0
	Merida Capital Partners IV LP	\$375,000
November 30, 2021	Merida Capital Partners III LP	\$90,000
	Merida Capital Partners IV LP	\$375,000

**Schedule 3.14(a)
Capitalization**

	Shares Authorized	Shares Issued and Outstanding	Fully Diluted Shares	Fully Diluted Ownership Percentage
Common Stock classes				
Common Stock	N/A	784,734,686	784,734,686	83.1%
Total Common Stock issued and outstanding				
Warrants			134,438,700	14.2%
Options and RSUs issued and outstanding			25,163,440	2.7%
Shares available for issuance under the plan		78,473,469		
Totals		784,734,686	944,336,826	

On March 17, 2021, the Company issued 98,900,000 units (each, a "Unit"), at a price of \$0.14 per unit for aggregated gross proceeds of \$13,846,000. Each Unit consists of one Heritage Common Share and one common share purchase warrant (each, a "Warrant"). Each Warrant is exercisable for one Heritage Common Share at any time for a period of 24 months ending on March 17, 2023 at an exercise price of \$0.21 per Warrant. The proceeds were first allocated to the Heritage Common Shares in accordance with the residual method, resulting in \$nil being allocated to the warrants. The Company paid issuance costs of \$1,344,665 in cash and \$598,392 through the issuance of 6,923,000 broker warrants (each, "Broker Warrants"). Each Broker Warrant is exercisable into one Unit at a price of \$0.14 per unit, expiring on March 17, 2023. The value of the Broker Warrants was measured based on the fair value of the equity instruments granted.

On May 7, 2019, the Company closed a bought deal offering (the "Offering") of 32,660,000 units of the Company (each, a "Unit") at a price of \$0.53 per Unit (the "Offering Price") for aggregate gross proceeds of \$17,309,800, which includes the full excise by the Underwriters (as herein defined) of an over-allotment option to acquire an additional \$2,257,800 worth of Units. Each Unit consists of one common share of the Company (each a "Common Share") and one-half of one Common Share purchase warrant of the Company (each whole Common Share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at a price equal to \$0.70 for a period of 30 months. These expired on November 8, 2021.

EXHIBIT A
FORM OF NOTE

EXHIBIT B
FORM OF WARRANT

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE FEBRUARY 21, 2022.

CONVERTIBLE PROMISSORY NOTE

\$660,000

Date of Issuance

October 18, 2021

FOR VALUE RECEIVED, Heritage Cannabis Holdings Corp., a corporation continued under the laws of Ontario (the "Company"), hereby promises to pay to the undersigned (the "Holder"), the principal sum of SIX HUNDRED SIXTY THOUSAND DOLLARS (USD \$660,000), together with interest thereon from the date of this Note. Interest shall accrue at a rate of 15% per annum, compounded annually, and be paid in common shares of the Company without par value in accordance with Section 1.2 hereof ("Common Shares" and, such Common Shares issuable as interest payment, the "Interest Shares"). All amounts of principal shall be immediately due and payable, and all accrued Interest Shares shall be immediately issuable, by the Company on demand by the Holder on the date that is twenty-four (24) months following the Date of Issuance (the "Maturity Date"). Capitalized terms used and not otherwise defined in this Convertible Promissory Note (this "Note") shall have the meanings assigned to them in that certain Note and Warrant Purchase Agreement dated as of October 18, 2021 (the "Purchase Agreement") among the Company, Merida Capital Partners IV LP, a Delaware limited partnership, and the Holder.

1. Payment.

1.1 All payments shall be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to Costs (as defined below), if any, and any remainder applied to principal. Principal shall be paid, and Interest Shares shall be issued, solely to the registered holder of this Note. Such payment and issuance shall constitute full discharge of the Company's obligation to pay such interest and principal.

1.2 The Company shall issue a number of Interest Shares equal to the total of (a) the aggregate amount of outstanding accrued but unpaid interest under this Note divided by (b) the price per Interest Share in satisfaction of the Company's interest payment obligations hereunder. For purposes of calculating the number of Interest Shares issuable, the price per Interest Share shall be the greater of: (i) ninety percent (90%) of the volume weighted average price per Common Share as reported on the Canadian Securities Exchange for the five (5) consecutive trading days preceding such issuance (adjusted as appropriate to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications, or similar events); and (ii) the minimum price per Common Share permitted pursuant to applicable securities laws and requirements of the Canadian Securities Exchange, in either case expressed in United States dollars as converted using the Bank of Canada's most recently published U.S. dollar/Canadian dollar end

of day exchange rate on the applicable issuance date. Interest Shares shall be issued on a quarterly basis, beginning on January 18, 2022, and continue on the same day of the month thereafter until this Note is fully repaid and all interest obligations have been fully satisfied.

2. Prepayment. The Company may not prepay amounts outstanding under this Note prior to the Maturity Date without the consent of the Holder.

3. Repayment Upon Maturity. On the Maturity Date, if this Note has not been paid in full or converted in accordance with the terms of Section 4 below, then the Holder may elect by written notice to the Company to either (a) demand payment in cash of the entire outstanding principal balance under the Note or (b) convert the entire outstanding principal balance into Conversion Shares (as defined below) at the Conversion Price (as defined below). In the absence of such election by Holder, the Note shall be repaid by the Company in cash on the Maturity Date. On the Maturity Date, all outstanding accrued but unpaid interest shall also be converted into Interest Shares in accordance with Section 1.2.

4. Voluntary Conversion.

4.1 The Holder may, at any time, at the option of the Holder, convert all of the principal then due on this Note into Common Shares (the "Conversion Shares") at a conversion price per Conversion Share ("Conversion Price") equal to the greater of (i) the closing market price of the Common Shares on the Canadian Securities Exchange (the "CSE") on the trading day prior to the earlier of dissemination of a news release disclosing the issuance of the Conversion Shares or the posting of notice by the Company to the CSE website of the proposed issuance of Conversion Shares, and (ii) CAD\$0.07.

4.2 No fractional equity shall be issued upon the conversion of this Note. All equity issuable upon conversion of the outstanding amount of this Note shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional equity. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of equity of Conversion Shares, the Company shall, in lieu of issuing any fractional equity, pay the Holder who is otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors of the Company).

5. Corporate Transaction. In the event that (i) the Company enters into an agreement pertaining to (A) a sale, lease, conveyance, exclusive license or other disposition of all or substantially all of the assets of the Company or (B) (1) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, in which the equityholders of the Company immediately prior to such consolidation, merger or reorganization own less than fifty percent (50%) of the voting power of the surviving or successor entity (or in the event stock or ownership interests of an affiliated entity are issued in such transaction, less than fifty percent (50%) of the voting power of such affiliated entity) immediately after such consolidation, merger or reorganization; or (2) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's outstanding voting power is transferred; other than (x) any consolidation or merger effected exclusively to change the domicile of the Company, or (y) any transaction or

series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof (each such event being referred to herein as a “Corporate Transaction”), and (ii) the Note has not been paid in full or converted into Conversion Shares, then, before any distribution or payment shall be made to the holders of equity securities of the Company, the Holder shall be entitled to be paid the greater of (A) the principal balance of this Note then outstanding, plus unpaid accrued interest thereon through the date of such Corporate Transaction, or (B) the amount that the Holder would have received had a conversion into Conversion Shares at the Conversion Price occurred immediately prior to the Corporate Transaction.

6. Default.

(a) Events of Default. For purposes of this Note, any of the following events which shall occur shall constitute an “Event of Default”:

(i) the Company defaults in the observance or performance of any covenant or condition in this Note, the Purchase Agreement or any other Loan Document (as such term is defined in the Purchase Agreement), as applicable, or any other agreement between the Company and the Holder;

(ii) any indebtedness under this Note is not paid when and as the same shall become due and payable;

(iii) the Company commits an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or institutes proceedings for its winding up, liquidation or dissolution, or take action to become a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or other proceeding seeking reorganization, readjustment, arrangement, composition or similar relief under any law or consents to the filing of any such petition or other proceeding, or consents to the appointment of a monitor, receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of its property, or makes an assignment for the benefit of creditors, or publicly announces or admits in writing its inability to pay its debts generally as they become due, or suspends or threatens to suspend transaction of all or any substantial part of its usual business, or any action is taken by the Company in furtherance of any of the foregoing;

(iv) proceedings are instituted in any court of competent jurisdiction by any Person other than the Company, parent or a shareholder or affiliates of the Company or for the winding up, liquidation or dissolution of the Company, or for any reorganization, readjustment, arrangement, composition or similar relief with respect to the Company under any bankruptcy law or any other applicable insolvency law, or for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of the property of the Company, and at any time thereafter such proceeding is not contested by the Company, or if any order sought in any such proceeding is granted and at any time thereafter such order is not either dismissed or effectively contested by the Company the effect thereof stayed;

(v) any change, circumstance, event or effect has occurred that is materially adverse to (y) the assets, liabilities, business, financial condition or results of the Company in the aggregate, and (z) the Company's ability to perform its obligations under this Note; or

(vi) the Company shall (x) liquidate, wind up or dissolve (or suffer any liquidation, wind-up or dissolution), (y) suspend its operations other than in the ordinary course of business, or (z) take any action to authorize any of the actions or events set forth above in this Section 6.

(b) Consequences of Events of Default.

(i) If any Event of Default shall occur for any reason, whether voluntary or involuntary, and be continuing, the Holder may, upon notice or demand, declare the outstanding indebtedness under this Note to be due and payable, whereupon the outstanding indebtedness under this Note shall be and become immediately due and payable, and the Company shall immediately (a)(1) pay to Holder the entire outstanding principal balance under this Note in cash or (2) convert the entire outstanding principal balance into the Conversion Shares at the Conversion Price, in each case, as directed by the Holder and (b) and issue such number of Interest Shares to pay any accrued and outstanding interest. Upon the occurrence of any of the events described in Section 6(a)(iii), all indebtedness under this Note shall automatically be due immediately without notice of any kind.

(ii) Holder shall also have any other rights which Holder may have been afforded under any contract or agreement at any time and any other rights which Holder may have pursuant to applicable law.

7. Waiver. The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

8. Affirmative Covenants. Until all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, the Company shall:

(a) comply with all laws, rules, regulations and orders applicable to the Company;

(b) as soon as possible and in any event within fifteen (15) days after it becomes aware that an Event of Default has occurred, notify the Holder in writing of the nature and extent of such Event of Default and the action, if any, it has taken or proposes to take with respect to such Event of Default;

(c) promptly execute and deliver such further instruments and do or cause to be done such further acts as may be necessary or advisable to carry out the intent and purposes of this Note; and

(d) reserve and keep available for the purpose of effecting the conversion of this Note, such number of Conversion Shares and Interest Shares as may be sufficient to effect the exercise of the rights under this Note.

9. Negative Covenants. Until all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, the Company shall not take any of the following actions without the prior written consent of the Holder, which shall not be unreasonably withheld:

(a) incur any indebtedness that is senior or *pari passu* in right of payment to the indebtedness created pursuant to this Note, provided that the Company may incur indebtedness that is (x) effectively subordinated to the indebtedness created pursuant to this Note or (y) secured by real property held by the Company without the prior written consent of the Holder.

10. Lost, Stolen, Destroyed or Mutilated Note. In case any Note shall be mutilated, lost, stolen or destroyed, the Company shall issue a new Note of like date, tenor and denomination and deliver the same in exchange and substitution for and upon surrender and cancellation of any mutilated Note, or in lieu of any Note lost, stolen or destroyed, upon receipt of evidence satisfactory to the Company of the loss, theft or destruction of such Note.

11. Cancellation. After all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, this Note will be surrendered to Company for cancellation.

12. Amendments and Waivers; Resolutions of Dispute; Notice. This Note may be amended and/or waived by the written consent of the Company and the Holder. The resolution of any controversy or claim arising out of or relating to this Note and the provision of notice shall be conducted pursuant to the terms of the Purchase Agreement.

13. Notices. Any notice hereunder shall be in writing and shall be delivered by recognized courier, facsimile or certified mail, return receipt requested, or email and shall be conclusively deemed to have been received by a party hereto and to be effective on the day on which delivered, facsimiled or emailed to such party at its address set forth below (or at such other address as such party shall specify in writing):

If to the Company:

Heritage Cannabis Holdings Corp.
c/o David Schwede
1450 St Paul St.
Kelowna, British Columbia
Canada V1Y 2E6
Attention: David Schwede
Email: dschwede@heritagecann.com

With a copy, which shall not constitute notice, to:

Owens Wright LLP
20 Holly St., Suite 300
Toronto, Ontario M4S 3B1
Attention: Paul De Luca
Email: pdeluca@owenswright.com

For Holder:

Merida Capital Partners III LP
c/o Merida Manager III LLC, its general partner
178 Columbus Ave #230018
New York, NY 10023
Attention: Mitchell Baruchowitz
Email: mitch@meridacap.com

With a copy, which shall not constitute notice, to:

Kleinberg, Kaplan, Wolff & Cohen, P.C.
500 Fifth Avenue
New York, New York 10110
Attention: Jonathan Ain, Esq.
Email: jain@kkwc.com

14. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the successors and permitted assigns of the parties hereto. The rights and benefits of Holder hereunder shall not be assigned, exchanged, or otherwise transferred without the prior written consent of the Company, and any purported assignment, exchange or other transfer of this Note without such consent shall be void and of no effect; provided that, Holder may assign its rights and benefits hereunder to its Affiliate (as defined below) upon written notice to the Company and delivery of a written assignment and assumption agreement in form and substance acceptable to the Company. As used herein, "Affiliate" means, with respect to a specified private investment fund, any other investment fund that is managed or controlled, directly or indirectly, by the same general partner or management company.

15. Officers and Directors not Liable. In no event shall any equityholder, officer, agent or manager of the Company be liable for any amounts due and payable pursuant to this Note.

16. Expenses. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all reasonable out of pocket expenses, including reasonable attorneys' fees and legal expenses, incurred by the Holder in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise ("Costs"). The Company agrees that any delay on the part of the Holder in exercising any rights hereunder will not operate as a waiver of such rights. The Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by the party or parties waiving such rights or remedies.

17. Legends. Certificates representing the Conversion Shares and Interest Shares issued hereunder shall bear the following legend:


“UNLESS PERMITTED UNDER SECURITIES LEGISLATION,
THE HOLDER OF THIS SECURITY MUST NOT TRADE THE
SECURITY BEFORE FEBRUARY 21, 2022.”

18. Governing Law. This Note shall be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has duly caused this Note to be signed on its behalf, in its company name and by its duly authorized officer as of the date first set forth above.

**HERITAGE CANNABIS HOLDINGS
CORP.**

DocuSigned by:

By: _____
45DB3351CE4C45C...
Name: David Schwede
Title: President & CEO

Acknowledged and Agreed by:

MERIDA CAPITAL PARTNERS III LP

By: Merida Manager III LLC, its general partner

By: _____
Name: Mitchell Baruchowitz
Title: Manager

IN WITNESS WHEREOF, the Company has duly caused this Note to be signed on its behalf, in its company name and by its duly authorized officer as of the date first set forth above.

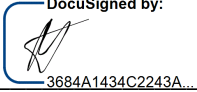
**HERITAGE CANNABIS HOLDINGS
CORP.**

By: _____
Name:
Title:

Acknowledged and Agreed by:

MERIDA CAPITAL PARTNERS III LP

By: Merida Manager III LLC, its general partner

By: _____

Name: Mitchell Baruchowitz
Title: Manager

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MARCH 2, 2022.

CONVERTIBLE PROMISSORY NOTE

\$375,000

Date of Issuance

October 29, 2021

FOR VALUE RECEIVED, Heritage Cannabis Holdings Corp., a corporation continued under the laws of Ontario (the “Company”), hereby promises to pay to the undersigned (the “Holder”), the principal sum of THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (USD \$375,000), together with interest thereon from the date of this Note. Interest shall accrue at a rate of 15% per annum, compounded annually, and be paid in common shares of the Company without par value in accordance with Section 1.2 hereof (“Common Shares” and, such Common Shares issuable as interest payment, the “Interest Shares”). All amounts of principal shall be immediately due and payable, and all accrued Interest Shares shall be immediately issuable, by the Company on demand by the Holder on the date that is twenty-four (24) months following the Date of Issuance (the “Maturity Date”). Capitalized terms used and not otherwise defined in this Convertible Promissory Note (this “Note”) shall have the meanings assigned to them in that certain Note and Warrant Purchase Agreement dated as of October 18, 2021 (the “Purchase Agreement”) among the Company, Merida Capital Partners IV LP, a Delaware limited partnership, and the Holder.

1. Payment.

1.1 All payments shall be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to Costs (as defined below), if any, and any remainder applied to principal. Principal shall be paid, and Interest Shares shall be issued, solely to the registered holder of this Note. Such payment and issuance shall constitute full discharge of the Company’s obligation to pay such interest and principal.

1.2 The Company shall issue a number of Interest Shares equal to the total of (a) the aggregate amount of outstanding accrued but unpaid interest under this Note divided by (b) the price per Interest Share in satisfaction of the Company’s interest payment obligations hereunder. For purposes of calculating the number of Interest Shares issuable, the price per Interest Share shall be the greater of: (i) ninety percent (90%) of the volume weighted average price per Common Share as reported on the Canadian Securities Exchange for the five (5) consecutive trading days preceding such issuance (adjusted as appropriate to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications, or similar events); and (ii) the minimum price per Common Share permitted pursuant to applicable securities laws and requirements of the Canadian Securities Exchange, in either case expressed in United States dollars as converted using the Bank of Canada’s most recently published U.S. dollar/Canadian dollar end

of day exchange rate on the applicable issuance date. Interest Shares shall be issued on a quarterly basis, beginning on January 31, 2022, and continue on the same day of the month thereafter until this Note is fully repaid and all interest obligations have been fully satisfied.

2. Prepayment. The Company may not prepay amounts outstanding under this Note prior to the Maturity Date without the consent of the Holder.

3. Repayment Upon Maturity. On the Maturity Date, if this Note has not been paid in full or converted in accordance with the terms of Section 4 below, then the Holder may elect by written notice to the Company to either (a) demand payment in cash of the entire outstanding principal balance under the Note or (b) convert the entire outstanding principal balance into Conversion Shares (as defined below) at the Conversion Price (as defined below). In the absence of such election by Holder, the Note shall be repaid by the Company in cash on the Maturity Date. On the Maturity Date, all outstanding accrued but unpaid interest shall also be converted into Interest Shares in accordance with Section 1.2.

4. Voluntary Conversion.

4.1 The Holder may, at any time, at the option of the Holder, convert all of the principal then due on this Note into Common Shares (the "Conversion Shares") at a conversion price per Conversion Share ("Conversion Price") equal to the greater of (i) the closing market price of the Common Shares on the Canadian Securities Exchange (the "CSE") on the trading day prior to the earlier of dissemination of a news release disclosing the issuance of the Conversion Shares or the posting of notice by the Company to the CSE website of the proposed issuance of Conversion Shares, and (ii) CAD\$0.07.

4.2 No fractional equity shall be issued upon the conversion of this Note. All equity issuable upon conversion of the outstanding amount of this Note shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional equity. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of equity of Conversion Shares, the Company shall, in lieu of issuing any fractional equity, pay the Holder who is otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors of the Company).

5. Corporate Transaction. In the event that (i) the Company enters into an agreement pertaining to (A) a sale, lease, conveyance, exclusive license or other disposition of all or substantially all of the assets of the Company or (B) (1) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, in which the equityholders of the Company immediately prior to such consolidation, merger or reorganization own less than fifty percent (50%) of the voting power of the surviving or successor entity (or in the event stock or ownership interests of an affiliated entity are issued in such transaction, less than fifty percent (50%) of the voting power of such affiliated entity) immediately after such consolidation, merger or reorganization; or (2) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's outstanding voting power is transferred; other than (x) any consolidation or merger effected exclusively to change the domicile of the Company, or (y) any transaction or

series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof (each such event being referred to herein as a “Corporate Transaction”), and (ii) the Note has not been paid in full or converted into Conversion Shares, then, before any distribution or payment shall be made to the holders of equity securities of the Company, the Holder shall be entitled to be paid the greater of (A) the principal balance of this Note then outstanding, plus unpaid accrued interest thereon through the date of such Corporate Transaction, or (B) the amount that the Holder would have received had a conversion into Conversion Shares at the Conversion Price occurred immediately prior to the Corporate Transaction.

6. Default.

(a) Events of Default. For purposes of this Note, any of the following events which shall occur shall constitute an “Event of Default”:

(i) the Company defaults in the observance or performance of any covenant or condition in this Note, the Purchase Agreement or any other Loan Document (as such term is defined in the Purchase Agreement), as applicable, or any other agreement between the Company and the Holder;

(ii) any indebtedness under this Note is not paid when and as the same shall become due and payable;

(iii) the Company commits an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or institutes proceedings for its winding up, liquidation or dissolution, or take action to become a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or other proceeding seeking reorganization, readjustment, arrangement, composition or similar relief under any law or consents to the filing of any such petition or other proceeding, or consents to the appointment of a monitor, receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of its property, or makes an assignment for the benefit of creditors, or publicly announces or admits in writing its inability to pay its debts generally as they become due, or suspends or threatens to suspend transaction of all or any substantial part of its usual business, or any action is taken by the Company in furtherance of any of the foregoing;

(iv) proceedings are instituted in any court of competent jurisdiction by any Person other than the Company, parent or a shareholder or affiliates of the Company or for the winding up, liquidation or dissolution of the Company, or for any reorganization, readjustment, arrangement, composition or similar relief with respect to the Company under any bankruptcy law or any other applicable insolvency law, or for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of the property of the Company, and at any time thereafter such proceeding is not contested by the Company, or if any order sought in any such proceeding is granted and at any time thereafter such order is not either dismissed or effectively contested by the Company the effect thereof stayed;

(v) any change, circumstance, event or effect has occurred that is materially adverse to (y) the assets, liabilities, business, financial condition or results of the Company in the aggregate, and (z) the Company's ability to perform its obligations under this Note; or

(vi) the Company shall (x) liquidate, wind up or dissolve (or suffer any liquidation, wind-up or dissolution), (y) suspend its operations other than in the ordinary course of business, or (z) take any action to authorize any of the actions or events set forth above in this Section 6.

(b) Consequences of Events of Default.

(i) If any Event of Default shall occur for any reason, whether voluntary or involuntary, and be continuing, the Holder may, upon notice or demand, declare the outstanding indebtedness under this Note to be due and payable, whereupon the outstanding indebtedness under this Note shall be and become immediately due and payable, and the Company shall immediately (a)(1) pay to Holder the entire outstanding principal balance under this Note in cash or (2) convert the entire outstanding principal balance into the Conversion Shares at the Conversion Price, in each case, as directed by the Holder and (b) and issue such number of Interest Shares to pay any accrued and outstanding interest. Upon the occurrence of any of the events described in Section 6(a)(iii), all indebtedness under this Note shall automatically be due immediately without notice of any kind.

(ii) Holder shall also have any other rights which Holder may have been afforded under any contract or agreement at any time and any other rights which Holder may have pursuant to applicable law.

7. Waiver. The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

8. Affirmative Covenants. Until all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, the Company shall:

(a) comply with all laws, rules, regulations and orders applicable to the Company;

(b) as soon as possible and in any event within fifteen (15) days after it becomes aware that an Event of Default has occurred, notify the Holder in writing of the nature and extent of such Event of Default and the action, if any, it has taken or proposes to take with respect to such Event of Default;

(c) promptly execute and deliver such further instruments and do or cause to be done such further acts as may be necessary or advisable to carry out the intent and purposes of this Note; and

(d) reserve and keep available for the purpose of effecting the conversion of this Note, such number of Conversion Shares and Interest Shares as may be sufficient to effect the exercise of the rights under this Note.

9. Negative Covenants. Until all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, the Company shall not take any of the following actions without the prior written consent of the Holder, which shall not be unreasonably withheld:

(a) incur any indebtedness that is senior or *pari passu* in right of payment to the indebtedness created pursuant to this Note, provided that the Company may incur indebtedness that is (x) effectively subordinated to the indebtedness created pursuant to this Note or (y) secured by real property held by the Company without the prior written consent of the Holder.

10. Lost, Stolen, Destroyed or Mutilated Note. In case any Note shall be mutilated, lost, stolen or destroyed, the Company shall issue a new Note of like date, tenor and denomination and deliver the same in exchange and substitution for and upon surrender and cancellation of any mutilated Note, or in lieu of any Note lost, stolen or destroyed, upon receipt of evidence satisfactory to the Company of the loss, theft or destruction of such Note.

11. Cancellation. After all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, this Note will be surrendered to Company for cancellation.

12. Amendments and Waivers; Resolutions of Dispute; Notice. This Note may be amended and/or waived by the written consent of the Company and the Holder. The resolution of any controversy or claim arising out of or relating to this Note and the provision of notice shall be conducted pursuant to the terms of the Purchase Agreement.

13. Notices. Any notice hereunder shall be in writing and shall be delivered by recognized courier, facsimile or certified mail, return receipt requested, or email and shall be conclusively deemed to have been received by a party hereto and to be effective on the day on which delivered, facsimiled or emailed to such party at its address set forth below (or at such other address as such party shall specify in writing):

If to the Company:

Heritage Cannabis Holdings Corp.
c/o David Schwede
1450 St Paul St.
Kelowna, British Columbia
Canada V1Y 2E6
Attention: David Schwede
Email: dschwede@heritagecann.com

With a copy, which shall not constitute notice, to:

Owens Wright LLP
20 Holly St., Suite 300
Toronto, Ontario M4S 3B1
Attention: Paul De Luca
Email: pdeluca@owenswright.com

For Holder:

Merida Capital Partners IV LP
c/o Merida Manager IV LLC, its general partner
178 Columbus Ave #230018
New York, NY 10023
Attention: Mitchell Baruchowitz
Email: mitch@meridacap.com

With a copy, which shall not constitute notice, to:

Kleinberg, Kaplan, Wolff & Cohen, P.C.
500 Fifth Avenue
New York, New York 10110
Attention: Jonathan Ain, Esq.
Email: jain@kkwc.com

14. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the successors and permitted assigns of the parties hereto. The rights and benefits of Holder hereunder shall not be assigned, exchanged, or otherwise transferred without the prior written consent of the Company, and any purported assignment, exchange or other transfer of this Note without such consent shall be void and of no effect; provided that, Holder may assign its rights and benefits hereunder to its Affiliate (as defined below) upon written notice to the Company and delivery of a written assignment and assumption agreement in form and substance acceptable to the Company. As used herein, "Affiliate" means, with respect to a specified private investment fund, any other investment fund that is managed or controlled, directly or indirectly, by the same general partner or management company.

15. Officers and Directors not Liable. In no event shall any equityholder, officer, agent or manager of the Company be liable for any amounts due and payable pursuant to this Note.

16. Expenses. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all reasonable out of pocket expenses, including reasonable attorneys' fees and legal expenses, incurred by the Holder in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise ("Costs"). The Company agrees that any delay on the part of the Holder in exercising any rights hereunder will not operate as a waiver of such rights. The Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by the party or parties waiving such rights or remedies.

17. Legends. Certificates representing the Conversion Shares and Interest Shares issued hereunder shall bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION,
THE HOLDER OF THIS SECURITY MUST NOT TRADE THE
SECURITY BEFORE MARCH 2, 2022.”

18. Governing Law. This Note shall be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has duly caused this Note to be signed on its behalf, in its company name and by its duly authorized officer as of the date first set forth above.

**HERITAGE CANNABIS HOLDINGS
CORP.**

By: _____
Name:
Title:

Acknowledged and Agreed by:

MERIDA CAPITAL PARTNERS IV LP

By: Merida Manager IV LLC, its general partner

By:  _____
Name: Mitchell Baruchowitz
Title: Manager

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MARCH 31, 2022.

CONVERTIBLE PROMISSORY NOTE

\$375,000

Date of Issuance
November 30, 2021

FOR VALUE RECEIVED, Heritage Cannabis Holdings Corp., a corporation continued under the laws of Ontario (the “Company”), hereby promises to pay to the undersigned (the “Holder”), the principal sum of THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (USD \$375,000), together with interest thereon from the date of this Note. Interest shall accrue at a rate of 15% per annum, compounded annually, and be paid in common shares of the Company without par value in accordance with Section 1.2 hereof (“Common Shares” and, such Common Shares issuable as interest payment, the “Interest Shares”). All amounts of principal shall be immediately due and payable, and all accrued Interest Shares shall be immediately issuable, by the Company on demand by the Holder on the date that is twenty-four (24) months following the Date of Issuance (the “Maturity Date”). Capitalized terms used and not otherwise defined in this Convertible Promissory Note (this “Note”) shall have the meanings assigned to them in that certain Note and Warrant Purchase Agreement dated as of October 18, 2021 (the “Purchase Agreement”) among the Company, Merida Capital Partners IV LP, a Delaware limited partnership, and the Holder.

1. Payment.

1.1 All payments shall be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to Costs (as defined below), if any, and any remainder applied to principal. Principal shall be paid, and Interest Shares shall be issued, solely to the registered holder of this Note. Such payment and issuance shall constitute full discharge of the Company’s obligation to pay such interest and principal.

1.2 The Company shall issue a number of Interest Shares equal to the total of (a) the aggregate amount of outstanding accrued but unpaid interest under this Note divided by (b) the price per Interest Share in satisfaction of the Company’s interest payment obligations hereunder. For purposes of calculating the number of Interest Shares issuable, the price per Interest Share shall be the greater of: (i) ninety percent (90%) of the volume weighted average price per Common Share as reported on the Canadian Securities Exchange for the five (5) consecutive trading days preceding such issuance (adjusted as appropriate to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications, or similar events); and (ii) the minimum price per Common Share permitted pursuant to applicable securities laws and requirements of the Canadian Securities Exchange, in either case expressed in United States dollars as converted using the Bank of Canada’s most recently published U.S. dollar/Canadian dollar end

of day exchange rate on the applicable issuance date. Interest Shares shall be issued on a quarterly basis, beginning on March 2, 2022, and continue on the same day of the month thereafter until this Note is fully repaid and all interest obligations have been fully satisfied.

2. Prepayment. The Company may not prepay amounts outstanding under this Note prior to the Maturity Date without the consent of the Holder.

3. Repayment Upon Maturity. On the Maturity Date, if this Note has not been paid in full or converted in accordance with the terms of Section 4 below, then the Holder may elect by written notice to the Company to either (a) demand payment in cash of the entire outstanding principal balance under the Note or (b) convert the entire outstanding principal balance into Conversion Shares (as defined below) at the Conversion Price (as defined below). In the absence of such election by Holder, the Note shall be repaid by the Company in cash on the Maturity Date. On the Maturity Date, all outstanding accrued but unpaid interest shall also be converted into Interest Shares in accordance with Section 1.2.

4. Voluntary Conversion.

4.1 The Holder may, at any time, at the option of the Holder, convert all of the principal then due on this Note into Common Shares (the "Conversion Shares") at a conversion price per Conversion Share ("Conversion Price") equal to the greater of (i) the closing market price of the Common Shares on the Canadian Securities Exchange (the "CSE") on the trading day prior to the earlier of dissemination of a news release disclosing the issuance of the Conversion Shares or the posting of notice by the Company to the CSE website of the proposed issuance of Conversion Shares, and (ii) CAD\$0.07.

4.2 No fractional equity shall be issued upon the conversion of this Note. All equity issuable upon conversion of the outstanding amount of this Note shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional equity. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of equity of Conversion Shares, the Company shall, in lieu of issuing any fractional equity, pay the Holder who is otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors of the Company).

5. Corporate Transaction. In the event that (i) the Company enters into an agreement pertaining to (A) a sale, lease, conveyance, exclusive license or other disposition of all or substantially all of the assets of the Company or (B) (1) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, in which the equityholders of the Company immediately prior to such consolidation, merger or reorganization own less than fifty percent (50%) of the voting power of the surviving or successor entity (or in the event stock or ownership interests of an affiliated entity are issued in such transaction, less than fifty percent (50%) of the voting power of such affiliated entity) immediately after such consolidation, merger or reorganization; or (2) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's outstanding voting power is transferred; other than (x) any consolidation or merger effected exclusively to change the domicile of the Company, or (y) any transaction or

series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof (each such event being referred to herein as a “Corporate Transaction”), and (ii) the Note has not been paid in full or converted into Conversion Shares, then, before any distribution or payment shall be made to the holders of equity securities of the Company, the Holder shall be entitled to be paid the greater of (A) the principal balance of this Note then outstanding, plus unpaid accrued interest thereon through the date of such Corporate Transaction, or (B) the amount that the Holder would have received had a conversion into Conversion Shares at the Conversion Price occurred immediately prior to the Corporate Transaction.

6. Default.

(a) Events of Default. For purposes of this Note, any of the following events which shall occur shall constitute an “Event of Default”:

(i) the Company defaults in the observance or performance of any covenant or condition in this Note, the Purchase Agreement or any other Loan Document (as such term is defined in the Purchase Agreement), as applicable, or any other agreement between the Company and the Holder;

(ii) any indebtedness under this Note is not paid when and as the same shall become due and payable;

(iii) the Company commits an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or institutes proceedings for its winding up, liquidation or dissolution, or take action to become a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or other proceeding seeking reorganization, readjustment, arrangement, composition or similar relief under any law or consents to the filing of any such petition or other proceeding, or consents to the appointment of a monitor, receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of its property, or makes an assignment for the benefit of creditors, or publicly announces or admits in writing its inability to pay its debts generally as they become due, or suspends or threatens to suspend transaction of all or any substantial part of its usual business, or any action is taken by the Company in furtherance of any of the foregoing;

(iv) proceedings are instituted in any court of competent jurisdiction by any Person other than the Company, parent or a shareholder or affiliates of the Company or for the winding up, liquidation or dissolution of the Company, or for any reorganization, readjustment, arrangement, composition or similar relief with respect to the Company under any bankruptcy law or any other applicable insolvency law, or for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of the property of the Company, and at any time thereafter such proceeding is not contested by the Company, or if any order sought in any such proceeding is granted and at any time thereafter such order is not either dismissed or effectively contested by the Company the effect thereof stayed;

(v) any change, circumstance, event or effect has occurred that is materially adverse to (y) the assets, liabilities, business, financial condition or results of the Company in the aggregate, and (z) the Company's ability to perform its obligations under this Note; or

(vi) the Company shall (x) liquidate, wind up or dissolve (or suffer any liquidation, wind-up or dissolution), (y) suspend its operations other than in the ordinary course of business, or (z) take any action to authorize any of the actions or events set forth above in this Section 6.

(b) Consequences of Events of Default.

(i) If any Event of Default shall occur for any reason, whether voluntary or involuntary, and be continuing, the Holder may, upon notice or demand, declare the outstanding indebtedness under this Note to be due and payable, whereupon the outstanding indebtedness under this Note shall be and become immediately due and payable, and the Company shall immediately (a)(1) pay to Holder the entire outstanding principal balance under this Note in cash or (2) convert the entire outstanding principal balance into the Conversion Shares at the Conversion Price, in each case, as directed by the Holder and (b) and issue such number of Interest Shares to pay any accrued and outstanding interest. Upon the occurrence of any of the events described in Section 6(a)(iii), all indebtedness under this Note shall automatically be due immediately without notice of any kind.

(ii) Holder shall also have any other rights which Holder may have been afforded under any contract or agreement at any time and any other rights which Holder may have pursuant to applicable law.

7. Waiver. The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

8. Affirmative Covenants. Until all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, the Company shall:

(a) comply with all laws, rules, regulations and orders applicable to the Company;

(b) as soon as possible and in any event within fifteen (15) days after it becomes aware that an Event of Default has occurred, notify the Holder in writing of the nature and extent of such Event of Default and the action, if any, it has taken or proposes to take with respect to such Event of Default;

(c) promptly execute and deliver such further instruments and do or cause to be done such further acts as may be necessary or advisable to carry out the intent and purposes of this Note; and

(d) reserve and keep available for the purpose of effecting the conversion of this Note, such number of Conversion Shares and Interest Shares as may be sufficient to effect the exercise of the rights under this Note.

9. Negative Covenants. Until all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, the Company shall not take any of the following actions without the prior written consent of the Holder, which shall not be unreasonably withheld:

(a) incur any indebtedness that is senior or *pari passu* in right of payment to the indebtedness created pursuant to this Note, provided that the Company may incur indebtedness that is (x) effectively subordinated to the indebtedness created pursuant to this Note or (y) secured by real property held by the Company without the prior written consent of the Holder.

10. Lost, Stolen, Destroyed or Mutilated Note. In case any Note shall be mutilated, lost, stolen or destroyed, the Company shall issue a new Note of like date, tenor and denomination and deliver the same in exchange and substitution for and upon surrender and cancellation of any mutilated Note, or in lieu of any Note lost, stolen or destroyed, upon receipt of evidence satisfactory to the Company of the loss, theft or destruction of such Note.

11. Cancellation. After all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, this Note will be surrendered to Company for cancellation.

12. Amendments and Waivers; Resolutions of Dispute; Notice. This Note may be amended and/or waived by the written consent of the Company and the Holder. The resolution of any controversy or claim arising out of or relating to this Note and the provision of notice shall be conducted pursuant to the terms of the Purchase Agreement.

13. Notices. Any notice hereunder shall be in writing and shall be delivered by recognized courier, facsimile or certified mail, return receipt requested, or email and shall be conclusively deemed to have been received by a party hereto and to be effective on the day on which delivered, facsimiled or emailed to such party at its address set forth below (or at such other address as such party shall specify in writing):

If to the Company:

Heritage Cannabis Holdings Corp.
c/o David Schwede
1450 St Paul St.
Kelowna, British Columbia
Canada V1Y 2E6
Attention: David Schwede
Email: dschwede@heritagecann.com

With a copy, which shall not constitute notice, to:

Owens Wright LLP
20 Holly St., Suite 300
Toronto, Ontario M4S 3B1
Attention: Paul De Luca
Email: pdeluca@owenswright.com

For Holder:

Merida Capital Partners IV LP
c/o Merida Manager IV LLC, its general partner
178 Columbus Ave #230018
New York, NY 10023
Attention: Mitchell Baruchowitz
Email: mitch@meridacap.com

With a copy, which shall not constitute notice, to:

Kleinberg, Kaplan, Wolff & Cohen, P.C.
500 Fifth Avenue
New York, New York 10110
Attention: Jonathan Ain, Esq.
Email: jain@kkwc.com

14. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the successors and permitted assigns of the parties hereto. The rights and benefits of Holder hereunder shall not be assigned, exchanged, or otherwise transferred without the prior written consent of the Company, and any purported assignment, exchange or other transfer of this Note without such consent shall be void and of no effect; provided that, Holder may assign its rights and benefits hereunder to its Affiliate (as defined below) upon written notice to the Company and delivery of a written assignment and assumption agreement in form and substance acceptable to the Company. As used herein, "Affiliate" means, with respect to a specified private investment fund, any other investment fund that is managed or controlled, directly or indirectly, by the same general partner or management company.

15. Officers and Directors not Liable. In no event shall any equityholder, officer, agent or manager of the Company be liable for any amounts due and payable pursuant to this Note.

16. Expenses. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all reasonable out of pocket expenses, including reasonable attorneys' fees and legal expenses, incurred by the Holder in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise ("Costs"). The Company agrees that any delay on the part of the Holder in exercising any rights hereunder will not operate as a waiver of such rights. The Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by the party or parties waiving such rights or remedies.

17. Legends. Certificates representing the Conversion Shares and Interest Shares issued hereunder shall bear the following legend:


“UNLESS PERMITTED UNDER SECURITIES LEGISLATION,
THE HOLDER OF THIS SECURITY MUST NOT TRADE THE
SECURITY BEFORE MARCH 31, 2022.”

18. Governing Law. This Note shall be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has duly caused this Note to be signed on its behalf, in its company name and by its duly authorized officer as of the date first set forth above.

**HERITAGE CANNABIS HOLDINGS
CORP.**

By: 
Name: Dan Phaure
Title: CFO

Acknowledged and Agreed by:

MERIDA CAPITAL PARTNERS IV LP

By: Merida Manager IV LLC, its general partner

By: _____
Name: Mitchell Baruchowitz
Title: Manager

IN WITNESS WHEREOF, the Company has duly caused this Note to be signed on its behalf, in its company name and by its duly authorized officer as of the date first set forth above.

**HERITAGE CANNABIS HOLDINGS
CORP.**

By: _____
Name:
Title:

Acknowledged and Agreed by:

MERIDA CAPITAL PARTNERS IV LP

By: Merida Manager IV LLC, its general partner

By: _____

Name: Mitchell Baruchowitz
Title: Manager

Execution Version

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MARCH 31, 2022.

CONVERTIBLE PROMISSORY NOTE

\$90,000

Date of Issuance
December 31, 2021

FOR VALUE RECEIVED, Heritage Cannabis Holdings Corp., a corporation continued under the laws of Ontario (the "Company"), hereby promises to pay to the undersigned (the "Holder"), the principal sum of NINETY THOUSAND DOLLARS (USD \$90,000), together with interest thereon from the date of this Note. Interest shall accrue at a rate of 15% per annum, compounded annually, and be paid in common shares of the Company without par value in accordance with Section 1.2 hereof ("Common Shares" and, such Common Shares issuable as interest payment, the "Interest Shares"). All amounts of principal shall be immediately due and payable, and all accrued Interest Shares shall be immediately issuable, by the Company on demand by the Holder on the date that is twenty-four (24) months following the Date of Issuance (the "Maturity Date"). Capitalized terms used and not otherwise defined in this Convertible Promissory Note (this "Note") shall have the meanings assigned to them in that certain Note and Warrant Purchase Agreement dated as of October 18, 2021 (the "Purchase Agreement") among the Company, Merida Capital Partners IV LP, a Delaware limited partnership, and the Holder.

1. Payment.

1.1 All payments shall be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to Costs (as defined below), if any, and any remainder applied to principal. Principal shall be paid, and Interest Shares shall be issued, solely to the registered holder of this Note. Such payment and issuance shall constitute full discharge of the Company's obligation to pay such interest and principal.

1.2 The Company shall issue a number of Interest Shares equal to the total of (a) the aggregate amount of outstanding accrued but unpaid interest under this Note divided by (b) the price per Interest Share in satisfaction of the Company's interest payment obligations hereunder. For purposes of calculating the number of Interest Shares issuable, the price per Interest Share shall be the greater of: (i) ninety percent (90%) of the volume weighted average price per Common Share as reported on the Canadian Securities Exchange for the five (5) consecutive trading days preceding such issuance (adjusted as appropriate to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications, or similar events); and (ii) the minimum price per Common Share permitted pursuant to applicable securities laws and requirements of the Canadian Securities Exchange, in either case expressed in United States dollars as converted using the Bank of Canada's most recently published U.S. dollar/Canadian dollar end of day exchange rate on the applicable issuance date. Interest Shares shall be issued on a quarterly

basis, beginning on March 2, 2022, and continue on the same day of the month thereafter until this Note is fully repaid and all interest obligations have been fully satisfied.

2. Prepayment. The Company may not prepay amounts outstanding under this Note prior to the Maturity Date without the consent of the Holder.

3. Repayment Upon Maturity. On the Maturity Date, if this Note has not been paid in full or converted in accordance with the terms of Section 4 below, then the Holder may elect by written notice to the Company to either (a) demand payment in cash of the entire outstanding principal balance under the Note or (b) convert the entire outstanding principal balance into Conversion Shares (as defined below) at the Conversion Price (as defined below). In the absence of such election by Holder, the Note shall be repaid by the Company in cash on the Maturity Date. On the Maturity Date, all outstanding accrued but unpaid interest shall also be converted into Interest Shares in accordance with Section 1.2.

4. Voluntary Conversion.

4.1 The Holder may, at any time, at the option of the Holder, convert all of the principal then due on this Note into Common Shares (the "Conversion Shares") at a conversion price per Conversion Share ("Conversion Price") equal to the greater of (i) the closing market price of the Common Shares on the Canadian Securities Exchange (the "CSE") on the trading day prior to the earlier of dissemination of a news release disclosing the issuance of the Conversion Shares or the posting of notice by the Company to the CSE website of the proposed issuance of Conversion Shares, and (ii) CAD\$0.07.

4.2 No fractional equity shall be issued upon the conversion of this Note. All equity issuable upon conversion of the outstanding amount of this Note shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional equity. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of equity of Conversion Shares, the Company shall, in lieu of issuing any fractional equity, pay the Holder who is otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors of the Company).

5. Corporate Transaction. In the event that (i) the Company enters into an agreement pertaining to (A) a sale, lease, conveyance, exclusive license or other disposition of all or substantially all of the assets of the Company or (B) (1) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, in which the equityholders of the Company immediately prior to such consolidation, merger or reorganization own less than fifty percent (50%) of the voting power of the surviving or successor entity (or in the event stock or ownership interests of an affiliated entity are issued in such transaction, less than fifty percent (50%) of the voting power of such affiliated entity) immediately after such consolidation, merger or reorganization; or (2) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's outstanding voting power is transferred; other than (x) any consolidation or merger effected exclusively to change the domicile of the Company, or (y) any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received

by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof (each such event being referred to herein as a “Corporate Transaction”), and (ii) the Note has not been paid in full or converted into Conversion Shares, then, before any distribution or payment shall be made to the holders of equity securities of the Company, the Holder shall be entitled to be paid the greater of (A) the principal balance of this Note then outstanding, plus unpaid accrued interest thereon through the date of such Corporate Transaction, or (B) the amount that the Holder would have received had a conversion into Conversion Shares at the Conversion Price occurred immediately prior to the Corporate Transaction.

6. Default.

(a) Events of Default. For purposes of this Note, any of the following events which shall occur shall constitute an “Event of Default”:

(i) the Company defaults in the observance or performance of any covenant or condition in this Note, the Purchase Agreement or any other Loan Document (as such term is defined in the Purchase Agreement), as applicable, or any other agreement between the Company and the Holder;

(ii) any indebtedness under this Note is not paid when and as the same shall become due and payable;

(iii) the Company commits an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or institutes proceedings for its winding up, liquidation or dissolution, or take action to become a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or other proceeding seeking reorganization, readjustment, arrangement, composition or similar relief under any law or consents to the filing of any such petition or other proceeding, or consents to the appointment of a monitor, receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of its property, or makes an assignment for the benefit of creditors, or publicly announces or admits in writing its inability to pay its debts generally as they become due, or suspends or threatens to suspend transaction of all or any substantial part of its usual business, or any action is taken by the Company in furtherance of any of the foregoing;

(iv) proceedings are instituted in any court of competent jurisdiction by any Person other than the Company, parent or a shareholder or affiliates of the Company or for the winding up, liquidation or dissolution of the Company, or for any reorganization, readjustment, arrangement, composition or similar relief with respect to the Company under any bankruptcy law or any other applicable insolvency law, or for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of the property of the Company, and at any time thereafter such proceeding is not contested by the Company, or if any order sought in any such proceeding is granted and at any time thereafter such order is not either dismissed or effectively contested by the Company the effect thereof stayed;

(v) any change, circumstance, event or effect has occurred that is materially adverse to (y) the assets, liabilities, business, financial condition or results of the Company in the aggregate, and (z) the Company’s ability to perform its obligations under this Note; or

(vi) the Company shall (x) liquidate, wind up or dissolve (or suffer any liquidation, wind-up or dissolution), (y) suspend its operations other than in the ordinary course of business, or (z) take any action to authorize any of the actions or events set forth above in this Section 6.

(b) Consequences of Events of Default.

(i) If any Event of Default shall occur for any reason, whether voluntary or involuntary, and be continuing, the Holder may, upon notice or demand, declare the outstanding indebtedness under this Note to be due and payable, whereupon the outstanding indebtedness under this Note shall be and become immediately due and payable, and the Company shall immediately (a)(1) pay to Holder the entire outstanding principal balance under this Note in cash or (2) convert the entire outstanding principal balance into the Conversion Shares at the Conversion Price, in each case, as directed by the Holder and (b) and issue such number of Interest Shares to pay any accrued and outstanding interest. Upon the occurrence of any of the events described in Section 6(a)(iii), all indebtedness under this Note shall automatically be due immediately without notice of any kind.

(ii) Holder shall also have any other rights which Holder may have been afforded under any contract or agreement at any time and any other rights which Holder may have pursuant to applicable law.

7. Waiver. The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

8. Affirmative Covenants. Until all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, the Company shall:

(a) comply with all laws, rules, regulations and orders applicable to the Company;

(b) as soon as possible and in any event within fifteen (15) days after it becomes aware that an Event of Default has occurred, notify the Holder in writing of the nature and extent of such Event of Default and the action, if any, it has taken or proposes to take with respect to such Event of Default;

(c) promptly execute and deliver such further instruments and do or cause to be done such further acts as may be necessary or advisable to carry out the intent and purposes of this Note; and

(d) reserve and keep available for the purpose of effecting the conversion of this Note, such number of Conversion Shares and Interest Shares as may be sufficient to effect the exercise of the rights under this Note.

9. Negative Covenants. Until all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, the Company shall not

take any of the following actions without the prior written consent of the Holder, which shall not be unreasonably withheld:

(a) incur any indebtedness that is senior or *pari passu* in right of payment to the indebtedness created pursuant to this Note, provided that the Company may incur indebtedness that is (x) effectively subordinated to the indebtedness created pursuant to this Note or (y) secured by real property held by the Company without the prior written consent of the Holder.

10. Lost, Stolen, Destroyed or Mutilated Note. In case any Note shall be mutilated, lost, stolen or destroyed, the Company shall issue a new Note of like date, tenor and denomination and deliver the same in exchange and substitution for and upon surrender and cancellation of any mutilated Note, or in lieu of any Note lost, stolen or destroyed, upon receipt of evidence satisfactory to the Company of the loss, theft or destruction of such Note.

11. Cancellation. After all obligations for the payment of money arising under this Note have been paid in full or the outstanding principal and accrued interest of the Note has been converted into Conversion Shares or Interest Shares, as applicable, this Note will be surrendered to Company for cancellation.

12. Amendments and Waivers; Resolutions of Dispute; Notice. This Note may be amended and/or waived by the written consent of the Company and the Holder. The resolution of any controversy or claim arising out of or relating to this Note and the provision of notice shall be conducted pursuant to the terms of the Purchase Agreement.

13. Notices. Any notice hereunder shall be in writing and shall be delivered by recognized courier, facsimile or certified mail, return receipt requested, or email and shall be conclusively deemed to have been received by a party hereto and to be effective on the day on which delivered, facsimiled or emailed to such party at its address set forth below (or at such other address as such party shall specify in writing):

If to the Company:

Heritage Cannabis Holdings Corp.
c/o David Schwede
1450 St Paul St.
Kelowna, British Columbia
Canada V1Y 2E6
Attention: David Schwede
Email: dschwede@heritagecann.com

With a copy, which shall not constitute notice, to:

Owens Wright LLP
20 Holly St., Suite 300
Toronto, Ontario M4S 3B1
Attention: Paul De Luca
Email: pdeluca@owenswright.com

For Holder:

Merida Capital Partners III LP
c/o Merida Manager III LLC, its general partner
178 Columbus Ave #230018
New York, NY 10023
Attention: Mitchell Baruchowitz
Email: mitch@meridacap.com

With a copy, which shall not constitute notice, to:

Kleinberg, Kaplan, Wolff & Cohen, P.C.
500 Fifth Avenue
New York, New York 10110
Attention: Jonathan Ain, Esq.
Email: jain@kkwc.com

14. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the successors and permitted assigns of the parties hereto. The rights and benefits of Holder hereunder shall not be assigned, exchanged, or otherwise transferred without the prior written consent of the Company, and any purported assignment, exchange or other transfer of this Note without such consent shall be void and of no effect; provided that, Holder may assign its rights and benefits hereunder to its Affiliate (as defined below) upon written notice to the Company and delivery of a written assignment and assumption agreement in form and substance acceptable to the Company. As used herein, “Affiliate” means, with respect to a specified private investment fund, any other investment fund that is managed or controlled, directly or indirectly, by the same general partner or management company.

15. Officers and Directors not Liable. In no event shall any equityholder, officer, agent or manager of the Company be liable for any amounts due and payable pursuant to this Note.

16. Expenses. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all reasonable out of pocket expenses, including reasonable attorneys’ fees and legal expenses, incurred by the Holder in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise (“Costs”). The Company agrees that any delay on the part of the Holder in exercising any rights hereunder will not operate as a waiver of such rights. The Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by the party or parties waiving such rights or remedies.

17. Legends. Certificates representing the Conversion Shares and Interest Shares issued hereunder shall bear the following legend:


“UNLESS PERMITTED UNDER SECURITIES LEGISLATION,
THE HOLDER OF THIS SECURITY MUST NOT TRADE THE
SECURITY BEFORE MARCH 31, 2022.”

18. Governing Law. This Note shall be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has duly caused this Note to be signed on its behalf, in its company name and by its duly authorized officer as of the date first set forth above.

**HERITAGE CANNABIS HOLDINGS
CORP.**

By: 
Name: Dan Phaure
Title: CFO

Acknowledged and Agreed by:

MERIDA CAPITAL PARTNERS III LP

By: Merida Capital III LP, its managing partner

By: 
Name: Mitchell Baruchowitz
Title: Managing Partner

***THIS IS EXHIBIT "J" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***



A Commissioner Etc.



Payment Instalment Agreement

Health Canada
Account Receivable Unit, P/L 1918B
18th Floor, Room 1804B
161 Goldenrod Driveway
Ottawa, Ontario K1A 0K9

Have questions? Contact us at:
Tel: 613-957-1052 or 1-800-815-0506
Fax: 613-957-3495
Email: ac-cr@hc-sc.gc.ca

This agreement is entered into on 2023-10-16 between Heritage Cannabis East Corporation Term: 2023-10-28 to 2024-09-28

CAN0000285
Heritage Cannabis East Corporation
333 JARVIS ST
FORT ERIE, Ontario L2A 2S9

and Health Canada.

Health Canada has agreed to enter into a payment instalment agreement with your company for invoice(s) 90795586, due as of 2023-09-30 for a sum of \$94,557.71.

Once the due date has passed, interest will accumulate on this amount. As part of this agreement, you must pay all accumulated interest that will be incurred following entering into this agreement. The interest is due, and must be included, with your last payment.

SECTION A

I, Jasmine Paige, an authorized representative for Heritage Cannabis East Corporation, hereafter referred to as "the Debtor", from the city of Lake Country, province of British Columbia, hereby acknowledge that the company has an outstanding invoice the amount of \$94,557.71 owed to Health Canada. I also acknowledge that the interest on this debt will continue to accumulate monthly until it pays the entire outstanding balance of principal and interest.

SECTION B: REPAYMENT OPTIONS

- Lump Sum Payment** – The Debtor agrees to make an initial payment in the amount of \$ _____ to repay all or part of the outstanding invoice. The Debtor also acknowledges that if this payment represents only part of the outstanding invoice, it must also enter into a monthly repayment plan as identified in repayment option 2 below.
- Monthly Payment Plan - Minimum monthly payments for your account are calculated at \$8,529.31 which represents 8.3 % of your current outstanding invoice.**
The Debtor agrees to make monthly payments in the amount of \$8,529.31 each and every month for the next 12 months. For the last payment, the Debtor agrees to include all of the outstanding accumulated interest to the final monthly payment. The Debtor acknowledges that it is his responsibility to ensure payments are received by Health Canada on or before the 28th of each month and that it will not receive monthly reminders of said payments. The Debtor further acknowledges that, should the payment not be received by Health Canada on or before the 28th of each month, or is less than the agreed amount, that this repayment agreement shall be null and void. The balance remaining shall be immediately due and owing to Health Canada and the account may be submitted to a collection agency.
- Voluntary Payment** – The Debtor acknowledges that it may make additional payments at any time.

Monthly payments will be made by (please check one):

Certified cheque Personal cheque Personal post-dated cheques Money order

*** Cheques / Money Orders must be made payable to “The Receiver General for Canada” in Canadian funds only**

By signing the agreement below, the Debtor hereby acknowledges reading, understanding, and accepting all terms and conditions contained within this agreement. The Debtor understands that failure to enter into this agreement, or failure to comply with this agreement, may result in full collections activity.

The Debtor also acknowledges that, should the payment fail to complete, it will be responsible for all fees related to an incomplete payment (e.g. NSF charges or stop payment charges). Following an incomplete payment, the personal cheque or credit card payment options will be revoked and only certified cheques or money orders will be accepted by Health Canada. The Debtor also acknowledges that if it skips a payment due to an incomplete payment, this agreement shall become null and void.

NOTE:

- An amount owing to the Government of Canada is considered a debt to the Crown and the Receiver General of Canada has authority to recover any amounts owing in a manner consistent with the provisions of the Financial Administration Act.
- Any changes in the wording of this agreement (e.g., adding, deleting, or marking through a letter, number, symbol, word or statement) by the signatories will make this agreement null and void and unacceptable to Health Canada. If any of the terms contained in this agreement are unacceptable to the signatories, the signatories will need to make other payment arrangements to have this account paid in full.
- If neither an agreement is reached nor payment has been made in full, this account may be subject to full collections activity. It is the responsibility of the signatories to contact Health Canada in order to make alternate payment arrangements.
- If paying instalments by cheque, please provide post-dated cheques for the length of the agreement when returning your signed copy of this form.

SECTION C

Signature Jasmine Paige Company's Customer Number CAN0000285 Date Oct 18/23

Full Name (Print) Jasmine Paige Company name Heritage Cannabis East Corporation

333 Jarvis St Fort Erie Ont. L2A 2S9

* Company Street Address, City, Province, Postal Code

Work telephone 780 632 1715 Extension same Mobile telephone (if applicable)

E-mail address jpaige@heritagecann.com

* If at any point during the duration of this agreement, my contact information should change, I must advise Health Canada Account Receivable unit in writing.

Please sign both copies. No photocopies will be accepted. Retain one copy for your records and return the other with your payment information to:

Health Canada
Account Receivable Unit, P/L 1918B
18th Floor, Room 1804B
161 Goldenrod Driveway
Ottawa, Ontario K1A 0K9

FOR INTERNAL USE ONLY

Customer Number _____ Payment Amount _____

Date Received _____ Received by (print name) _____ Signature _____

Agreement entered into Excel Worksheet: YES / NO _____

Entered by (print name) _____ Initials _____

If post-dated payment via cheques or credit card, payment reminder entered into BF system: YES / NO _____

Entered by (print name) _____ Initials _____

***THIS IS EXHIBIT "K" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***

A handwritten signature in blue ink, consisting of a stylized, cursive script that is difficult to decipher but appears to be a name.

A Commissioner Etc.

Payment Instalment Agreement

Health Canada
Account Receivable Unit, P/L 1918B
18th Floor, Room 1804B
161 Goldenrod Driveway
Ottawa, Ontario K1A 0K9

Have questions? Contact us at:
Tel: 613-957-1052 or 1-800-815-0506
Fax: 613-957-3495
Email: ac-cr@hc-sc.gc.ca

This agreement is entered into on 2023-10-23 between Term: 2023-11-05 to 2024-10-05

CAN0000245
Heritage Cannabis West Corporation
157-5450 HWY 97
FALKLAND , British Columbia VOE 1W0

and Health Canada.

Health Canada has agreed to enter into a payment instalment agreement with your company for invoice(s) 90796927 , due as of 2023-09-30 for a sum of \$417,679.26 .
Once the due date has passed, interest will accumulate on this amount. As part of this agreement, you must pay all accumulated interest that will be incurred following entering into this agreement. The interest is due, and must be included, with your last payment.

SECTION A

I, Jasmine Page, an authorized representative for Heritage Cannabis West Corporation, hereafter referred to as "the Debtor", from the city of Salmon Country, province of BC, hereby acknowledge that the company has an outstanding invoice the amount of \$ 417,679.26 owed to Health Canada. I also acknowledge that the interest on this debt will continue to accumulate monthly until it pays the entire outstanding balance of principal and interest.

SECTION B: REPAYMENT OPTIONS

- 1. Lump Sum Payment** – The Debtor agrees to make an initial payment in the amount of \$ _____ to repay all or part of the outstanding invoice. The Debtor also acknowledges that if this payment represents only part of the outstanding invoice, it must also enter into a monthly repayment plan as identified in repayment option 2 below.
- 2. Monthly Payment Plan - Minimum monthly payments for your account are calculated at \$37,538.41 which represents 8.3 % of your current outstanding invoice.**
The Debtor agrees to make monthly payments in the amount of \$37,538.41 each and every month for the next 12 months. For the last payment, the Debtor agrees to include all of the outstanding accumulated interest to the final monthly payment. The Debtor acknowledges that it is his responsibility to ensure payments are received by Health Canada on or before the 5th of each month and that it will not receive monthly reminders of said payments. The Debtor further acknowledges that, should the payment not be received by Health Canada on or before the 5th of each month, or is less than the agreed amount, that this repayment agreement shall be null and void. The balance remaining shall be immediately due and owing to Health Canada and the account may be submitted to a collection agency.
- 3. Voluntary Payment** – The Debtor acknowledges that it may make additional payments at any time.

Monthly payments will be made by (please check one):

Certified cheque Personal cheque Personal post-dated cheques Money order

*** Cheques / Money Orders must be made payable to “The Receiver General for Canada” in Canadian funds only**

By signing the agreement below, the Debtor hereby acknowledges reading, understanding, and accepting all terms and conditions contained within this agreement. The Debtor understands that failure to enter into this agreement, or failure to comply with this agreement, may result in full collections activity.

The Debtor also acknowledges that, should the payment fail to complete, it will be responsible for all fees related to an incomplete payment (e.g. NSF charges or stop payment charges). Following an incomplete payment, the personal cheque or credit card payment options will be revoked and only certified cheques or money orders will be accepted by Health Canada. The Debtor also acknowledges that if it skips a payment due to an incomplete payment, this agreement shall become null and void.

NOTE:

- An amount owing to the Government of Canada is considered a debt to the Crown and the Receiver General of Canada has authority to recover any amounts owing in a manner consistent with the provisions of the Financial Administration Act.
- Any changes in the wording of this agreement (e.g., adding, deleting, or marking through a letter, number, symbol, word or statement) by the signatories will make this agreement null and void and unacceptable to Health Canada. If any of the terms contained in this agreement are unacceptable to the signatories, the signatories will need to make other payment arrangements to have this account paid in full.
- If neither an agreement is reached nor payment has been made in full, this account may be subject to full collections activity. It is the responsibility of the signatories to contact Health Canada in order to make alternate payment arrangements.
- If paying instalments by cheque, please provide post-dated cheques for the length of the agreement when returning your signed copy of this form.

***THIS IS EXHIBIT "L" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***

A handwritten signature in blue ink, consisting of a stylized, cursive script that is difficult to decipher but appears to be a name.

A Commissioner Etc.



SUMMERSIDE PE C1N 5Z7

0000013

000000013

Date Feb 28, 2024
Account number 82674 1035 RD0001
Reference number OL240572103235

HERITAGE CANNABIS EAST
CORPORATION
333 JARVIS STREET
FORT ERIE ON L2A 2S9

Subject: Renewing your cannabis licence

Dear Licensee:

Your cannabis licence, number 82674 1035 RD0001, will expire on **April 12, 2024**.

To apply to renew your licence, fill out Form L300, Cannabis Licence Application under the Excise Act, 2001. You may also need to fill out Form L300SCHA Schedule A, Other Business Location(s), and L300SCHB Schedule B, Information Relating to Individuals, Partners, Directors, Officers and Shareholders, if they apply.

Please send your completed forms to your regional office before **March 13, 2024**. To find the address, go to canada.ca/en/revenue-agency/services/forms-publications/publications/contacts.

To qualify for renewal, you must show that you still meet all eligibility requirements in the Regulations Respecting Excise Licences and Registrations. Once we have your application, we will contact you if we need more documents or to confirm your information. After we review your application, we will write to you to let you know our decision.

If you have already taken steps to renew your licence, please disregard this letter.

If you have questions about renewing your licence, please contact your regional office.

You can find more information at canada.ca/cannabis-excise.

Sincerely,

Bob Hamilton
Commissioner of Revenue





January 22, 2024

Heritage Cannabis East Corporation
333 Jarvis Street
Fort Erie, ON L2A 2S9
Attn: Jasmine Paige

Dear Jasmine Paige:

Subject: Renewal of Cannabis Licence under the Excise Act, 2001

We have reviewed your cannabis licence renewal application, and your cannabis licence under the Excise Act, 2001 has been renewed effective February 1, 2024 and will expire effective **February 28, 2024**.

Cannabis licence number

The following licence number should be recorded on all correspondence with the CRA:

82674 1035 RD0001

Each of the physical business locations included in the licence application has been provided with a separate account number as follows:

Location	Account Identifier	Account Type	Premises Address
1	RD0001	Filing	333 Jarvis Street, Fort Erie, ON L2A 2S9

Sufficient Financial Resources

A holder of a licence issued under the Act who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

Excise Duties and Taxes
Legislative Policy and Regulatory Affairs
55 Bay Street North
Hamilton ON L8R 3P7
Phone: 1-866-330-3304
Fax: 1-905-572-4608

In order to demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements continue to be met:

1. Comply fully with all terms and conditions of the payment arrangement agreed to with our Collections branch as follows:
RD0001 – approximately \$300,000/month toward arrears for 24 months
2. Ensure monthly excise duty payable is paid by the due date (last day of the calendar month following your reporting period).

Failure to meet the eligibility criteria for a licence will render your licence ineligible for renewal, and can be grounds for the CRA to suspend or cancel an excise licence pursuant to the Regulations. If your licence is not renewed, suspended or cancelled, you will no longer be authorized to conduct any activities, including production or possession of the goods, for which the licence was issued.

In order to renew your licence, a completed Form L300, Cannabis Licence Application must be submitted to your regional office not later than 30 days before the expiry date.

Acknowledgement of Security

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting Excise Licences and Registrations. Please ensure your posted security remains valid, and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act. If you have questions in regards to the security requirement, please contact our office.

Renewal of Cannabis Licence

Information related to renewing a cannabis licence is provided in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence. Subject to meeting the requirements for maintaining a cannabis licence, the licence will remain in effect for the period specified in the licence.

Obligations of a Cannabis Licensee

Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

Filing of Returns

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at canada.ca/my-cra-business-account. Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at canada.ca/my-cra-business-account or by phone at 1-800-959-5525.

Excise cannabis returns may also be printed from our website at canada.ca/cannabis-excise so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

Methods of Destruction and Analysis

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Tina DiMassimo at 289-922-9015. For general information regarding the excise duty on cannabis products please go to canada.ca/cannabis-excise or call 1-866-330-3304 to make an enquiry. To request a ruling or technical interpretation on cannabis excise duty, please email cannabis@cra-arc.gc.ca.

Sincerely,

Youssef El-Masri
Ontario Regional Manager
Excise Duties and Taxes
Legislative Policy and Regulatory Affairs
55 Bay Street North, Hamilton, Ontario, L8R 3P7
Fax: 905-572-4608



February 26, 2024

Jasmine Paige
Chief Financial Officer
Heritage Cannabis West Corporation
PO Box 157
Falkland BC V0E 1W0

Case Number: OL 2402 9210 2076
File Number: 84603061

Dear Jasmine Paige:

Subject: Renewal of Cannabis Licence 80553 2975 RD0001 with Conditions under the *Excise Act, 2001*

We have reviewed your cannabis licence renewal application, and are pleased to inform you that your cannabis licence under the *Excise Act, 2001* (Act) has been renewed with conditions effective March 1, 2024.

In accordance with subsection 23(3) of the Act and the *Regulations Respecting Excise Licences and Registrations* (the Regulations), the following conditions are imposed on the licence at this time:

1. All monthly returns and remittances with respect to Excise Duty and GST accounts must be filed and paid no later than the last day of the first month after each reporting period going forward.
2. A holder of a licence issued under the Act who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner. In order to demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements are met before **April 15, 2024**:

1. Monthly excise duty payable is paid by the due date (last day of the calendar month following your reporting period)

2. A payment arrangement is established for any arrears balances



As of February 20, 2024, you have arrears balance for the following accounts maintained with the CRA in respect of obligations under the Act:

Excise duty account: 80553 2975 RD0001 - \$5,286,752

GST account: 80553 2975 RT0001 - \$1,126,095

Please proceed with the monthly payment arrangement you have made with the Collections Officer, S. Gagnon, for the Excise Duty account, and set up a payment arrangement plan for the GST account.

3. Paragraph 23(3)(b) of the Act states that on issuing a licence, the Minister shall, in the case of a cannabis licensee, require security in a form satisfactory to the Minister, and in an amount determined in accordance with the regulations.

The Regulations Respecting Excise Licences and Registrations state that for a cannabis licensee, the security must be sufficient to ensure the payment of duty for one reporting period. Based on your filing history, the amount of security required is \$538,254, while the current security posted is \$480,000. This leaves a deficiency of **\$58,254**, which must be provided in order to meet the eligibility requirements for licence renewal.

You have agreed to provide the required additional security amounts of:

- \$48,600 - no later than **February 29, 2024**.
As per the required condition of the previous licence renewal terms, from February 01, 2024 to February 29, 2024.
- \$9,654 - no later than **April 15, 2024**.

Failure to provide sufficient financial security as required under paragraph 23(3)(b) and establish and maintain a payment arrangement may render your licence not eligible for renewal, as you will not meet the requirements per the Regulations.

Pursuant to paragraph 10(1)(b) of the Regulations, the cannabis licence can also be suspended if you fail to meet the above-noted conditions of the licence. Pursuant to section 11 of the Regulations, the licence can be reinstated when the grounds for the suspension cease to exist.

As discussed from our phone conversation on February 21, 2024, the cannabis licence renewal application have not been updated to reflect:

- The change in activity to exclude cultivation



Acknowledgement of Security

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the *Regulations Respecting Excise Licences and Registrations*.

Please ensure your posted security remains valid, and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act (highest duty payable on your B300 excise duty return for any month). If you have questions or require clarification in regards to the security requirement, please contact our office. For general information regarding the excise duty on cannabis products please go to canada.ca/cannabis-excise. To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please call 1-866-330-3304 or email cannabis@cra-arc.gc.ca.

Renewal of Cannabis Licence

Information related to renewing a cannabis licence is provided in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence. Subject to meeting the requirements for maintaining a cannabis licence, the licence will remain in effect for the period specified in the licence.

The expiry date for your licence will be **April 15, 2024**. In order to renew the cannabis licence, a completed Form L300, Cannabis Licence Application must be submitted to your regional office not later than 30 days before the expiry date.

Obligations of a Cannabis Licensee

Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

Filing of Returns

A form B300, Cannabis Duty and Information Return, for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported. It should be noted that a licensee who fails to file a return for a reporting period as and when required will be subject to penalty.



Similarly, if payment is not made as and when required, a licensee will be subject to interest on the late payment.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at canada.ca/my-cra-business-account. Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at canada.ca/my-cra-business-account or by phone at 1-800-959-5525.

Monthly excise cannabis returns may also be printed from our website at canada.ca/cannabis-excise so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

Methods of Destruction and Analysis

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact **Erica Su** at **236-335-8713**. For general information regarding the excise duty on cannabis products please go to canada.ca/cannabis-excise or call 1-866-330-3304 to make an enquiry. To request a ruling or technical interpretation on cannabis excise duty, please email cannabis@cra-arc.gc.ca.

Sincerely,

S. Wang
Western (Pacific) Regional Manager
Excise Duties and Taxes
Legislative Policy and Regulatory Affairs

CL/es

***THIS IS EXHIBIT "M" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***

A handwritten signature in blue ink, consisting of a stylized, cursive script that is difficult to decipher but appears to be a name.

A Commissioner Etc.



January 22, 2024

Heritage Cannabis East Corporation
333 Jarvis Street
Fort Erie, ON L2A 2S9
Attn: Jasmine Paige

Dear Jasmine Paige:

Subject: Renewal of Cannabis Licence under the Excise Act, 2001

We have reviewed your cannabis licence renewal application, and your cannabis licence under the Excise Act, 2001 has been renewed effective February 1, 2024 and will expire effective **February 28, 2024**.

Cannabis licence number

The following licence number should be recorded on all correspondence with the CRA:

82674 1035 RD0001

Each of the physical business locations included in the licence application has been provided with a separate account number as follows:

Location	Account Identifier	Account Type	Premises Address
1	RD0001	Filing	333 Jarvis Street, Fort Erie, ON L2A 2S9

Sufficient Financial Resources

A holder of a licence issued under the Act who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

Excise Duties and Taxes
Legislative Policy and Regulatory Affairs
55 Bay Street North
Hamilton ON L8R 3P7
Phone: 1-866-330-3304
Fax: 1-905-572-4608

In order to demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements continue to be met:

1. Comply fully with all terms and conditions of the payment arrangement agreed to with our Collections branch as follows:
RD0001 – approximately \$300,000/month toward arrears for 24 months
2. Ensure monthly excise duty payable is paid by the due date (last day of the calendar month following your reporting period).

Failure to meet the eligibility criteria for a licence will render your licence ineligible for renewal, and can be grounds for the CRA to suspend or cancel an excise licence pursuant to the Regulations. If your licence is not renewed, suspended or cancelled, you will no longer be authorized to conduct any activities, including production or possession of the goods, for which the licence was issued.

In order to renew your licence, a completed Form L300, Cannabis Licence Application must be submitted to your regional office not later than 30 days before the expiry date.

Acknowledgement of Security

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting Excise Licences and Registrations. Please ensure your posted security remains valid, and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act. If you have questions in regards to the security requirement, please contact our office.

Renewal of Cannabis Licence

Information related to renewing a cannabis licence is provided in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence. Subject to meeting the requirements for maintaining a cannabis licence, the licence will remain in effect for the period specified in the licence.

Obligations of a Cannabis Licensee

Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

Filing of Returns

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at canada.ca/my-cra-business-account. Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at canada.ca/my-cra-business-account or by phone at 1-800-959-5525.

Excise cannabis returns may also be printed from our website at canada.ca/cannabis-excise so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

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As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Tina DiMassimo at 289-922-9015. For general information regarding the excise duty on cannabis products please go to canada.ca/cannabis-excise or call 1-866-330-3304 to make an enquiry. To request a ruling or technical interpretation on cannabis excise duty, please email cannabis@cra-arc.gc.ca.

Sincerely,

ELMASRI
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YOUSSEF
2024.01.22
12:17:52-05'00'

Youssef El-Masri
Ontario Regional Manager
Excise Duties and Taxes
Legislative Policy and Regulatory Affairs
55 Bay Street North, Hamilton, Ontario, L8R 3P7
Fax: 905-572-4608

***THIS IS EXHIBIT "N" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***



A Commissioner Etc.



**LIQUOR
DISTRIBUTION
BRANCH**

March 12, 2024

Re: Notice of payment on hold due to CRA Requirement to Pay

Dear Cory Larson:

Please be advised that the BC Liquor Distribution Branch (LDB) has received the following Requirement to Pay notice from the Canadian Revenue Agency (CRA) for the following taxpayer:

Heritage Cannabis West Corporation
PO Box 157
Falkland BC V0E 1W0

- Account 805 532 975 RT0001 \$1,260,128.40 40% rate

The Requirement to Pay notice requires the LDB to send any money that would otherwise be payable to the taxpayer at a rate of 50% of all payments directly to the CRA up to the maximum amount under the notice as indicated above. The requirement applies to current and future amounts due to the taxpayer.

As such, 40% of all payments to Heritage Cannabis West Corporation will be redirected to the CRA until the maximum amount is paid or the notices expire or are withdrawn.

The LDB will notify Heritage Cannabis West Corporation of any payments made to CRA and will provide details of the payment.

Please direct any questions about the Requirement to Pay notices to the CRA. If you have any questions about this process, please contact Constantin Starck, Director Finance Shared Services by phone at 604-252-7572 or via email at constantin.starck@bcldb.com.

Kind regards,

A handwritten signature in black ink, appearing to be "E. Perlova".

Elena Perlova
Acting Chief Financial Officer
BC Liquor Distribution Branch

cc: Erin McEwan, Executive Director, Corporate Strategic Services LDB

***THIS IS EXHIBIT "O" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***



A Commissioner Etc.



**LIQUOR
DISTRIBUTION
BRANCH**

March 12, 2024

Re: Notice of payment on hold due to CRA Requirement to Pay

Dear Cory Larson:

Please be advised that the BC Liquor Distribution Branch (LDB) has received the following Requirement to Pay notice from the Canadian Revenue Agency (CRA) for the following taxpayer:

Heritage Cannabis East Corporation
333 Jarvis St
Fort Erie ON L2A 2S9

- Account 826 741 035 RT0001 \$352,824.20 40% rate

The Requirement to Pay notice requires the LDB to send any money that would otherwise be payable to the taxpayer at a rate of 50% of all payments directly to the CRA up to the maximum amount under the notice as indicated above. The requirement applies to current and future amounts due to the taxpayer.

As such, 40% of all payments to Heritage Cannabis East Corporation will be redirected to the CRA until the maximum amount is paid or the notices expire or are withdrawn.

The LDB will notify Heritage Cannabis East Corporation of any payments made to CRA and will provide details of the payment.

Please direct any questions about the Requirement to Pay notices to the CRA. If you have any questions about this process, please contact Constantin Starck, Director Finance Shared Services by phone at 604-252-7572 or via email at constantin.starck@bcldb.com.

Kind regards,

A handwritten signature in black ink, appearing to be "E. Perlova".

Elena Perlova
Acting Chief Financial Officer
BC Liquor Distribution Branch

cc: Erin McEwan, Executive Director, Corporate Strategic Services LDB

***THIS IS EXHIBIT "P" TO THE
AFFIDAVIT OF DAVID
SCHWEDE SWORN BEFORE ME
THIS 2ND DAY OF APRIL, 2024***



A Commissioner Etc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST CORPORATION, MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EAST CORPORATION, PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450 REALTY INC., HERITAGE CANNABIS EXCHANGE CORP., AND PREMIUM 5 LTD.

Applicants

CONSENT

KPMG INC. hereby consents to act as Court-appointed Monitor of the Applicants pursuant to the *Companies' Creditors Arrangement Act*.

Dated this ____ day of _____, 2024.

KPMG INC.



Name: Pritesh Patel

Title: Senior Vice-President

I have authority to bind the corporation

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST CORPORATION, MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EAST CORPORATION, PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450 REALTY INC., HERITAGE CANNABIS EXCHANGE CORP., AND PREMIUM 5 LTD.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AFFIDAVIT OF DAVID SCHWEDE
(Sworn April 2, 2024)**

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Harvey Chaiton (LSO#: 21592F)

Tel: (416) 218-1129

Email: harvey@chaitons.com

George Benchetrit (LSO#: 34163H)

Tel: (416) 218-1141

Email: george@chaitons.com

Danish Afroz (LSO#: 65786B)

Tel: (416) 218-1137

E-mail: dafroz@chaitons.com

Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) TUESDAY, THE 2ND
)
JUSTICE CAVANAGH) DAY OF APRIL, 2024
)

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF HERITAGE CANNABIS HOLDINGS
CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST
CORPORATION, MAINSTRAIN MARKET LTD.,
HERITAGE CANNABIS EAST CORPORATION,
PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY
INC., 5450 REALTY INC., HERITAGE CANNABIS
EXCHANGE CORP. and PREMIUM 5 LTD.**

(collectively, the "**Applicants**")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by Zoom videoconference.

ON READING the affidavit of David Schwede sworn April 2, 2024 and the Exhibits thereto (the "**Schwede Affidavit**"), and the pre-filing report of KPMG Inc. ("**KPMG**"), in its capacity as proposed monitor of the Applicants dated April 2, 2024 (the "**Pre-Filing Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the additional parties listed in Schedule "A" hereto (collectively, the "**Non-Applicant Stay Parties**") and together with the Applicants, the "**Heritage Entities**"), counsel for the Proposed Monitor,

counsel for BJK Holdings Ltd., the Applicants' senior secured creditor ("**BJK**"), and such other parties listed on the Counsel Slip, and on reading the consent of KPMG to act as the Monitor (the "**Monitor**"),

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies. Although not Applicants, the Non-Applicant Stay Parties shall enjoy the benefits of the protections and authorizations provided under the terms of this Order.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licenses, authorizations, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Heritage Entities shall be entitled to continue to utilize the central cash management system currently in place as described in the Schwede Affidavit or, with the consent of the Monitor and BJK, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank or credit union providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action

taken under the Cash Management System, or as to the use or application by the Heritage Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Heritage Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement (a “**Plan**”) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Applicants, in accordance with the cash flow forecast appended as Appendix "B" to the Pre-Filing Report (the “**Cash Flow Forecast**”) shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, contract amounts, employee and pension benefits, vacation pay and employee expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing expenses;
- (b) with the consent of the Monitor and BJK, amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order by third party suppliers, up to a maximum aggregate amount of \$1,500,000, if such third party is critical to the Business and ongoing operations of the Applicants; and
- (c) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and in accordance with the Cash Flow Forecasts, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course on, or after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants on or following the date of this Order.

7. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance; (ii) Canada Pension Plan; and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;
- (c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below) (collectively, the "**Cannabis Taxes**"), but only where such Cannabis Taxes are accrued or collected after the date of this Order; and
- (d) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real

property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to operate the Business in the ordinary course pending the return hearing on the Comeback Date (as defined below).

NO PROCEEDINGS AGAINST THE HERITAGE ENTITIES OR THEIR RESPECTIVE PROPERTY

11. **THIS COURT ORDERS** that until and including April 12, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of any Heritage Entity or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Heritage Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any Heritage Entity or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Heritage Entities and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any Heritage Entity or the Monitor, or their respective representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Heritage Entities and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Heritage Entity to carry on any business which such Heritage Entity is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour or renew, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, licence, authorization or permit in favour of or held by any Heritage Entity, except with the written consent of the Heritage Entities and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with a Heritage Entity or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, security services, payroll services, insurance, transportation services, utility or other services to the Business or any Heritage Entity, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Heritage Entities, and that the Heritage Entities shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after

the date of this Order are paid by the Heritage Entities in accordance with normal payment practices of the Heritage Entities or such other practices as may be agreed upon by the supplier or service provider and the applicable Heritage Entity and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to a Heritage Entity. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any Heritage Entity with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of a Heritage Entity whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

17. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as a director or officer of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

18. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which

charge shall not exceed an aggregate amount of \$900,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 17 of this Order. The Directors' Charge shall have the priority set out in paragraphs 29 and 31 herein.

19. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (a) no insurer or indemnitor shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any director's and officer's insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 17 of this Order.

APPOINTMENT OF MONITOR

20. **THIS COURT ORDERS** that KPMG is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Heritage Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Heritage Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements and the Applicants' compliance with the Cash Flow Forecasts;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in their preparation of the Applicants' cash flow statements;

- (d) assist the Applicants in communications with their stakeholders, including creditors and governmental authorities;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Heritage Entities, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

22. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property, nor be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act* S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the *Ontario Cannabis Licence Act*, S.O. 2018, c. 12, Sched. 2, as amended, the *Ontario Cannabis Control Act*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, as amended, the British Columbia *Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the British Columbia *Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, the Alberta *Gaming, Liquor and Cannabis Act*, R.S.A. 2000, c. G-1, as amended, the Alberta *Gaming, Liquor and Cannabis Regulation*, Alta. Reg. 143/996, as amended, the *The Cannabis Control (Saskatchewan) Act*, S.S. 2018, c. C-2.111, as amended, the *Saskatchewan Cannabis Control (Saskatchewan) Regulations*, R.R.S. c. C-2.111 Reg. 1, the Manitoba *The Liquor, Gaming and Cannabis Control Act*, C.C.S.M. c. L153, as amended, the Manitoba *Cannabis Regulation*, M.R. 120/2018, as amended, the Newfoundland and Labrador *Cannabis Control Act*, S.N.L. 2018, c. C-4.1, as amended, the Newfoundland and Labrador *Cannabis Control Regulations*, NLR. Reg. 93/18, as amended, the Newfoundland and Labrador *Cannabis Licensing and Operations Regulations*, NLR. Reg. 94/18, as amended, the Nova Scotia *Cannabis Control Act*, S.N.S. 2018, c 3, as

amended, the Nova Scotia *Cannabis Retail Regulations*, NS. Reg. 203/2019, the Prince Edward Island *Cannabis Control Act*, R.S.P.E.I. 1998, c. C-1.2, as amended, the Prince Edward Island *Cannabis Control Regulations*, PEI. Reg. EC575/18, as amended, the New Brunswick *Cannabis Control Act*, S.N.B. 2018, c. 2, the Yukon *Cannabis Control and Regulation Act*, S.Y. 2018, c. 4, as amended, the Yukon *Cannabis Control and Regulation*, YOIC. 2018/139, the Yukon *Cannabis Control and Regulation General Regulation*, YOIC. 2018/184, the Yukon *Cannabis Licensing Regulation*, YOIC. 2019/43, the Yukon *Cannabis Remote Sales Regulation*, YOIC. 2022/29, the Northwest Territories *Cannabis Legalization and Regulation Implementation Act*, S.N.W.T. 2018, c. 6, as amended, or other such applicable federal, provincial or other legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

23. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* or the *British Columbia Riparian Areas Protection Act* and all regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to

be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

24. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

25. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis or on such other terms as the parties may agree.

27. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' corporate counsel (Owens Wright LLP) and insolvency counsel (Chaitons LLP) shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional

fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 29 and 31 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

29. **THIS COURT ORDERS** that the priorities of the Directors' Charge and the Administration Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000); and

Second – Directors' Charge (to the maximum amount of \$900,000).

30. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

31. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; provided that the Charges shall rank behind Encumbrances in favour of any Persons that have not been served with notice of this application. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority of the Charges ahead of such Encumbrances on a subsequent motion on notice to those parties.

32. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

33. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

34. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

35. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), R.S.O., c. S.5 and comparable statutes enacted by other provinces of Canada, the CSE Policies 1-10 and the rules, regulations and policies of the Canadian Securities Exchange and OTCQB® (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in Section 11.1(2) of the CCAA as a consequence of the Applicants failing to make Securities Filings required by the Securities Provisions.

36. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicants of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue or maintain cease trader orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the Court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

"STATUS QUO" OF APPLICANTS' LICENSES

37. **THIS COURT ORDERS** that (a) the status quo in respect of the Applicants' Health Canada and cannabis excise licenses (collectively, the "**Licenses**") shall be preserved and maintained during the pendency of the Stay Period, including the Applicants' ability to sell

cannabis inventory in the ordinary course under the Licenses; and (b) to the extent any License may expire during the Stay Period, the term of such License shall be deemed to be extended by a period equal to the Stay Period.

SERVICE AND NOTICE

38. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in *The Globe and Mail*, National Edition, a notice containing the information prescribed under the CCAA; and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000 (excluding individual employees, and former employees), and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.

39. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://kpmg.com/ca/heritage> (the "**Website**").

40. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in

satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2175 (SOR/DORS).

41. **THIS COURT ORDERS** that, except with respect to any motion to be heard on the Comeback Date (as defined below), and subject to further Order of this Court in respect of urgent motions, any interest party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its object to the motion and the grounds for such objection by no later than 5:00 p.m. (Toronto Time) on the date that is two (2) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

42. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

43. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on April ●, 2024 at ● (Toronto Time) or such other date as may be set by this Court upon the granting of this Order (the "**Comeback Date**") and any such interested party shall give not less than two (2) business days' notice to the Service List and any other party or parties likely to be affected by the Order sought in advance of the Comeback Date; provided however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs 29 and 31 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

44. **THIS COURT ORDERS** that, notwithstanding paragraph 43 of this Order, each of the Applicants or the Monitor may, from time to time, apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their respective powers and duties under this Order or in the interpretation of this Order hereunder.

45. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

46. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

47. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order.

SCHEDULE "A"
NON-APPLICANT STAY PARTIES

Heritage (US) Colorado Corp.

Opticann, Inc.

Heritage US Holdings Corp.

Heritage (US) Cali Corp.

Heritage (US) Oregon Corp.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
AMENDED

Court File No.: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HERITAGE CANNABIS
HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST CORPORATION, MAINSTRAIN
MARKET LTD., HERITAGE CANNABIS EAST CORPORATION, PUREFARMA SOLUTIONS INC., 333
JARVIS REALTY INC., 5450 REALTY INC., HERITAGE CANNABIS EXCHANGE CORP., AND PREMIUM 5
LTD.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**INITIAL ORDER
(returnable April 2, 2024)**

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

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Lawyers for the Applicants

TAB 4

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE —MR.) ~~WEEKDAY~~TUESDAY, THE #2ND
JUSTICE —CAVANAGH) DAY OF ~~MONTH~~APRIL, ~~20YR~~2024

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ~~[APPLICANT'S NAME]~~ HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST CORPORATION, MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EAST CORPORATION, PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450 REALTY INC., HERITAGE CANNABIS EXCHANGE CORP. and PREMIUM 5 LTD.

(collectively, the "ApplicantApplicants")

INITIAL ORDER

THIS APPLICATION, made by the ApplicantApplicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by Zoom videoconference.

ON READING the affidavit of ~~[NAME]~~ David Schwede sworn ~~[DATE]~~ April 2, 2024 and the Exhibits thereto (the "Schwede Affidavit"), and the pre-filing report of KPMG Inc. ("KPMG"), in its capacity as proposed monitor of the Applicants dated April 2, 2024 (the "Pre-Filing Report"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME][†] although duly served as appears from the~~ [†]~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2)~~

~~affidavit of service of [NAME] sworn [DATE]~~ the Applicants and the additional parties listed in Schedule "A" hereto (collectively, the "Non-Applicant Stay Parties" and together with the Applicants, the "Heritage Entities"), counsel for the Proposed Monitor, counsel for BJK Holdings Ltd., the Applicants' senior secured creditor ("BJK"), and such other parties listed on the Counsel Slip, and on reading the consent of [MONITOR'S NAME] KPMG to act as the Monitor (the "Monitor"),

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the ~~Applicant~~ Applicants is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

~~3. — THIS COURT ORDERS that~~ Although not Applicants, the Non-Applicant Stay Parties shall ~~have~~enjoy the ~~authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan")~~benefits of the protections and authorizations provided under the terms of this Order.

~~may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

~~²If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

POSSESSION OF PROPERTY AND OPERATIONS

3. ~~4.~~ THIS COURT ORDERS that the ~~Applicant~~Applicants shall remain in possession and control of ~~its~~their respective current and future assets, licenses, authorizations, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the ~~Applicant~~Applicants shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the "**Business**") and Property. The ~~Applicant is~~Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. ~~5.~~ THIS COURT ORDERS that the ~~Applicant~~Heritage Entities shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Schwede Affidavit of [NAME] sworn [DATE] or, with the consent of the Monitor and BJK, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank or credit union providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Heritage Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Heritage Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the any plan of compromise or arrangement (a "Plan")~~ with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.}]

³~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross border and inter company transfers of cash.~~

5. ~~6.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants, in accordance with the cash flow forecast appended as Appendix "B" to the Pre-Filing Report (the "**Cash Flow Forecast**") shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, contract amounts, employee and pension benefits, vacation pay and ~~expenses~~employee expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing expenses;
- (b) with the consent of the Monitor and BJK, amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order by third party suppliers, up to a maximum aggregate amount of \$1,500,000, if such third party is critical to the Business and ongoing operations of the Applicants; and
- (c) ~~(b)~~ the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Applicants in respect of these proceedings, at their standard rates and charges.

6. ~~7.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, ~~the Applicant~~and in accordance with the Cash Flow Forecasts, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~Applicants in carrying on the Business in the ordinary course on, or after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the ~~Applicant~~Applicants on or following the date of this Order.

7. ~~8.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance;; (ii) Canada Pension Plan;; and (iii) ~~Quebec Pension Plan,~~ and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the ~~Applicant~~Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;;
- (c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below) (collectively, the "Cannabis Taxes"), but only where such Cannabis Taxes are accrued or collected after the date of this Order; and
- (d) ~~(e)~~ any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Applicants.

8. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~{or resiliated}~~⁴ in accordance with the CCAA, the ~~Applicant~~Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area

⁴ ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, ~~twice-monthly in equal payments on the first and fifteenth~~ day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant~~ Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~ Applicants to any of ~~its~~ their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~ their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. ~~11.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~ Applicants shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to: operate the Business in the ordinary course pending the return hearing on the Comeback Date (as defined below).

- ~~(a) — permanently or temporarily cease, downsize or shut down any of its business or operations, [and to dispose of redundant or non-material assets not exceeding \$● in any one transaction or \$● in the aggregate]⁵~~
- ~~(b) — [terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate]; and~~
- ~~(c) — pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,~~

⁵Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.

~~all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").~~

~~12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims ~~[or resiliates]~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~[or resiliation]~~ of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

~~13. THIS COURT ORDERS that if a notice of disclaimer ~~[or resiliation]~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~[or resiliation]~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~[or resiliation]~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.~~

NO PROCEEDINGS AGAINST THE APPLICANTHERITAGE ENTITIES OR THEIR RESPECTIVE PROPERTY

~~11.~~ **14. THIS COURT ORDERS** that until and including ~~[DATE — MAX. 30 DAYS]~~ April 12, 2024, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or

continued against or in respect of ~~the Applicant~~any Heritage Entity or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Heritage Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of ~~the Applicant~~any Heritage Entity or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Heritage Entities and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

12. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of ~~the Applicant~~any Heritage Entity or the Monitor, or their respective representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Heritage Entities and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower ~~the Applicant~~any Heritage Entity to carry on any business which ~~the Applicant~~such Heritage Entity is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour or renew, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, licence, authorization or permit in favour of or held by ~~the Applicant~~any Heritage Entity, except with the written consent of the ~~Applicant~~Heritage Entities and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with ~~the Applicant~~a Heritage Entity or statutory or

regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, security services, payroll services, insurance, transportation services, utility or other services to the Business or ~~the Applicant~~ any Heritage Entity, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the ~~Applicant~~ Heritage Entities, and that the ~~Applicant~~ Heritage Entities shall be entitled to the continued use of ~~its~~ their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~ Heritage Entities in accordance with normal payment practices of the ~~Applicant~~ Heritage Entities or such other practices as may be agreed upon by the supplier or service provider and ~~each of the Applicant~~ applicable Heritage Entity and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~lease~~ leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to ~~the Applicant~~ a Heritage Entity. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of ~~the Applicant~~ any Heritage Entity with

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of ~~the Applicant~~ a Heritage Entity whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~ Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~ Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

17. ~~20.~~ **THIS COURT ORDERS** that the ~~Applicant~~ Applicants shall indemnify ~~its~~ their directors and officers against obligations and liabilities that they may incur as ~~directors~~ a director or ~~officers~~ officer of the ~~Applicant~~ Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of ~~the~~ such director's or officer's gross negligence or wilful misconduct.

18. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~ Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~900,000~~, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph ~~{20}~~ 17 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~ 29 and ~~{40}~~ 31 herein.

19. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary;⁹ (a) no insurer or indemnitor shall be entitled to be subrogated to or claim the benefit of the Directors' Charge;⁹ and (b) the ~~Applicant's~~ Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not

⁷ ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

⁸ ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

have coverage under any ~~directors'~~director's and ~~officers'~~officer's insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~20~~17 of this Order.

APPOINTMENT OF MONITOR

20. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~KPMG is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~Heritage Entities and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Heritage Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant~~Applicants's receipts and disbursements and the Applicants' compliance with the Cash Flow Forecasts;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- ~~(c) — assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;~~
- (c) ~~(d) —~~ advise the ~~Applicant~~Applicants in ~~its~~their preparation of the ~~Applicant's~~Applicants' cash flow statements ~~and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the~~

- ~~DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- ~~(e) advise the Applicant in its development of the Plan and any amendments to the Plan;~~
- (d) ~~(f)~~ assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan Applicants in communications with their stakeholders, including creditors and governmental authorities;
- (e) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant Heritage Entities, to the extent that is necessary to adequately assess the Applicant Applicants' business and financial affairs or to perform its duties arising under this Order;
- (f) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

22. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property, nor be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the Cannabis Act S.C. 2018, c. 16, as amended, the Controlled Drugs and Substances Act, S.C. 1996, c. 19, as amended, the Excise Act, 2001, S.C. 2002, c. 22, as amended, the Ontario Cannabis Licence Act, S.O. 2018, c. 12, Sched. 2, as amended, the Ontario Cannabis Control Act, S.O. 2017, c. 26, Sched. 1, as amended, the Ontario Cannabis Retail Corporation Act, 2017, S.O. 2017, c. 26, as amended, the British Columbia Cannabis Control and Licensing Act, S.B.C. 2018, c. 29, as amended, the British Columbia Cannabis Distribution Act, S.B.C. 2018, c. 28, as amended, the Alberta Gaming, Liquor and Cannabis Act, R.S.A. 2000, c. G-1, as amended, the

Alberta Gaming, Liquor and Cannabis Regulation, Alta. Reg. 143/996, as amended, The Cannabis Control (Saskatchewan) Act, S.S. 2018, c. C-2.111, as amended, the Saskatchewan Cannabis Control (Saskatchewan) Regulations, R.R.S. c. C-2.111 Reg. 1, the Manitoba The Liquor, Gaming and Cannabis Control Act, C.C.S.M. c. L153, as amended, the Manitoba Cannabis Regulation, M.R. 120/2018, as amended, the Newfoundland and Labrador Cannabis Control Act, S.N.L. 2018, c. C-4.1, as amended, the Newfoundland and Labrador Cannabis Control Regulations, NLR. Reg. 93/18, as amended, the Newfoundland and Labrador Cannabis Licensing and Operations Regulations, NLR. Reg. 94/18, as amended, the Nova Scotia Cannabis Control Act, S.N.S. 2018, c 3, as amended, the Nova Scotia Cannabis Retail Regulations, NS. Reg. 203/2019, the Prince Edward Island Cannabis Control Act, R.S.P.E.I. 1998, c. C-1.2, as amended, the Prince Edward Island Cannabis Control Regulations, PEI. Reg. EC575/18, as amended, the New Brunswick Cannabis Control Act, S.N.B. 2018, c. 2, the Yukon Cannabis Control and Regulation Act, S.Y. 2018, c. 4, as amended, the Yukon Cannabis Control and Regulation, YOIC. 2018/139, the Yukon Cannabis Control and Regulation General Regulation, YOIC. 2018/184, the Yukon Cannabis Licensing Regulation, YOIC. 2019/43, the Yukon Cannabis Remote Sales Regulation, YOIC. 2022/29, the Northwest Territories Cannabis Legalization and Regulation Implementation Act, S.N.W.T. 2018, c. 6, as amended, or other such applicable federal, provincial or other legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

23. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the

Canadian Environmental Protection Act, the Fisheries Act, the Ontario Environmental Protection Act, the Ontario Water Resources Act, ~~or~~ the Ontario Occupational Health and Safety Act, the British Columbia Environmental Management Act, the British Columbia Fish Protection Act or the British Columbia Riparian Areas Protection Act and all regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

24. ~~27.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ~~Applicant and the DIP Lender~~ Applicants with information provided by the ~~Applicant~~ Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~ Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~ Applicants may agree.

25. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees and representatives acting in such capacities shall incur ~~no~~ any liability or obligation as a result of ~~its~~ the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

26. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~ Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the ~~Applicant~~ Applicants as part of the costs of these proceedings. The ~~Applicant~~ Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant~~ Applicants on a ~~[TIME INTERVAL]~~ bi-weekly basis

~~and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$●[-, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time~~ or on such other terms as the parties may agree.

27. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

28. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~ and the ~~Applicant's~~ Applicants' corporate counsel (Owens Wright LLP) and insolvency counsel (Chaitons LLP) shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$●250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~38~~29 and ~~40~~31 hereof.

DIP FINANCING

~~32. — THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$●~~ unless permitted by further Order of this Court.

~~33. — THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~34. — THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter~~ or as may be reasonably required

by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. ~~THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs [38] and [40] hereof.~~

36. ~~THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

- ~~(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~
- ~~(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ● days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~
- ~~(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

~~37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.~~

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

29. ~~38. THIS COURT ORDERS~~ that the priorities of the Directors'² Charge, and the Administration Charge ~~and~~ (collectively, the DIP Lender's Charge "Charges"), as among them, shall be as follows⁹:

First ~~—~~ Administration Charge (to the maximum amount of \$~~●~~ 250,000); and

Second ~~—DIP Lender's Charge; and~~

~~Third~~ ~~—~~ Directors' Charge (to the maximum amount of \$~~●~~ 900,000).

30. ~~39. THIS COURT ORDERS~~ that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

31. ~~40. THIS COURT ORDERS~~ that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge~~ Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; provided that the Charges

⁹~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

shall rank behind Encumbrances in favour of any Persons that have not been served with notice of this application. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority of the Charges ahead of such Encumbrances on a subsequent motion on notice to those parties.

32. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge,~~Charges unless the ~~Applicant~~Applicants also ~~obtains~~obtain the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~Charges, or further Order of this Court.

33. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") ~~and/or the DIP Lender~~ thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the ~~Applicant~~Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) ~~neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents~~ shall not create or be deemed to constitute a breach by the ~~Applicant~~Applicants of any Agreement to which ~~it is~~they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting ~~from the Applicant entering into~~

~~the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents;~~ and

- (c) the payments made by the ~~Applicant~~Applicants pursuant to this Order, ~~the Commitment Letter or the Definitive Documents~~, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

34. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

35. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), R.S.O., c. S.5 and comparable statutes enacted by other provinces of Canada, the CSE Policies 1-10 and the rules, regulations and policies of the Canadian Securities Exchange and OTCQB® (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in Section 11.1(2) of the CCAA as a consequence of the Applicants failing to make Securities Filings required by the Securities Provisions.

36. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicants of a nature described in

section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "Regulators") in the matter of regulating the conduct of market participants and to issue or maintain cease trader orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the Court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

"STATUS QUO" OF APPLICANTS' LICENSES

37. THIS COURT ORDERS that (a) the status quo in respect of the Applicants' Health Canada and cannabis excise licenses (collectively, the "Licenses") shall be preserved and maintained during the pendency of the Stay Period, including the Applicants' ability to sell cannabis inventory in the ordinary course under the Licenses; and (b) to the extent any License may expire during the Stay Period, the term of such License shall be deemed to be extended by a period equal to the Stay Period.

SERVICE AND NOTICE

38. ~~44.~~ THIS COURT ORDERS that the Monitor shall: (i) without delay, publish in ~~[newspapers specified by the Court]~~ The Globe and Mail, National Edition, a notice containing the information prescribed under the CCAA; and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicant Applicants of more than ~~\$1000~~ 1,000 (excluding individual employees, and former employees), and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.

39. ~~45.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of

documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~“@”~~: <https://kpmg.com/ca/heritage> (the “Website”).

40. ~~46.~~ **THIS COURT ORDERS** that ~~if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant~~ the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by ~~prepaid ordinary mail, courier, personal delivery or facsimile transmission~~ electronic message to the ~~Applicant~~ Applicants's creditors or other interested parties at ~~and~~ their ~~respective addresses as last shown on the records of the Applicant and that~~ advisors. For greater certainty, any such ~~service or distribution by courier, personal delivery or facsimile transmission~~ or service shall be deemed to be ~~received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing~~ in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2175 (SOR/DORS).

41. **THIS COURT ORDERS** that, except with respect to any motion to be heard on the Comeback Date (as defined below), and subject to further Order of this Court in respect of urgent motions, any interest party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the "Service List") with responding motion materials or a written notice (including by e-mail) stating its object to the motion and the grounds for such objection by no later than 5:00 p.m. (Toronto Time) on the date that is two (2) days prior to the date such motion is returnable (the "Objection Deadline"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

42. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

43. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on April ●, 2024 at ● (Toronto Time) or such other date as may be set by this Court upon the granting of this Order (the "**Comeback Date**") and any such interested party shall give not less than two (2) business days' notice to the Service List and any other party or parties likely to be affected by the Order sought in advance of the Comeback Date; provided however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs 29 and 31 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

44. ~~47.~~ **THIS COURT ORDERS** that, notwithstanding paragraph 43 of this Order, each of the ApplicantApplicants or the Monitor may, from time to time, apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of ~~its~~their respective powers and duties under this Order or in the interpretation of this Order hereunder.

45. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~ApplicantApplicants~~, the Business or the Property.

46. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the ~~ApplicantApplicants~~, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and

administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Applicant~~Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

47. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Applicants and the Monitor be at liberty and ~~is~~are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~51. — THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

48. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. ~~Eastern Standard/Daylight~~(Toronto Time) on the date of this Order.

SCHEDULE "A"
NON-APPLICANT STAY PARTIES

Heritage (US) Colorado Corp.

Opticann, Inc.

Heritage US Holdings Corp.

Heritage (US) Cali Corp.

Heritage (US) Oregon Corp.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST CORPORATION, MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EAST CORPORATION, PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450 REALTY INC., HERITAGE CANNABIS EXCHANGE CORP., AND PREMIUM 5 LTD.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER
(returnable April 2, 2024)

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Lawyers for the Applicants

Document comparison by Workshare Compare on Tuesday, April 2, 2024 10:43:54 AM

Input:	
Document 1 ID	file:///C:/Users/LyndaC/Desktop/Model Intitial Order (CCAA).doc
Description	Model Intitial Order (CCAA)
Document 2 ID	file:///C:/Users/LyndaC/Desktop/Initial Order - Heritage Cannabis Holding Corp.docx
Description	Initial Order - Heritage Cannabis Holding Corp
Rendering set	Standard

Legend:	
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	Deletion
	Moved from
	<u>Moved to</u>
	Style change
	Format change
	Moved deletion
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:

	Count
Insertions	345
Deletions	310
Moved from	3
Moved to	3
Style changes	0
Format changes	0
Total changes	661

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST CORPORATION, MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EAST CORPORATION, PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450 REALTY INC., HERITAGE CANNABIS EXCHANGE CORP., AND PREMIUM 5 LTD.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**APPLICATION RECORD
(returnable April 2, 2024)**

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